

STALKING HORSE SALE PROCESS

Purpose

1. The within stalking horse sale process (the “**Stalking Horse Sale Process**”) will be conducted by A. Farber & Partners Inc. in its capacity as court-appointed receiver (the “**Receiver**”) of all the assets, undertakings and properties of Waxman Realty Company Inc. (“**Waxman**”) and 1340923 Ontario Inc. (together with Waxman, the “**Debtors**”), in consultation with the Debtors’ stakeholders, as the Receiver deems appropriate. The purpose of the Stalking Horse Sale Process is to identify one or more purchasers of all the Debtors’ right, title and interest in and to (and only to the extent of all the Debtors’ right, title and interest in and to) (collectively, the “**Real Property Interests**”): (i) the real property municipally known as 143 Adams Boulevard in Brantford, Ontario and legally described in PIN 32281-0152 (LT); and (ii) the real property municipally known as 4350 Harvester Road in Burlington, Ontario and legally described in PIN 07034-0014 (LT).
2. Unless otherwise indicated herein, any event that occurs on a day that is not a business day shall be deemed to occur on the next business day.

Sale Process Procedures

3. The Receiver will compile a list of prospective purchasers (together with any other party expressing an interest in the Real Property Interests, the “**Interested Parties**”). The Receiver will make best efforts to canvass the interest of all Interested Parties.
4. The Sale Process will be conducted by the Receiver and will provide Interested Parties with the opportunity to submit offers to purchase the Real Property Interests.
5. The Receiver shall cause a notice of the Stalking Horse Sale Process to be published in The Globe and Mail (National Edition), as well as any other publications as the Receiver may deem appropriate, within five (5) days following the issuance an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) approving the Stalking Horse Sale Process (the “**Stalking Horse Sale Process Order**”), or as soon as practicable thereafter.
6. After the issuance of the Stalking Horse Sale Process Order, the Receiver will distribute to Interested Parties an interest solicitation letter (the “**Teaser**”) which will provide an overview of the opportunity

to purchase the Real Property Interests. A form of confidentiality agreement (“CA”) will be attached to the interest solicitation letter that Interested Parties will be required to sign in order to gain access to confidential information and to commence performing due diligence (each Interested Party who signs a CA being referred to herein as, a “**Prospective Offeror**”).

7. The Receiver will provide to each Prospective Offeror access to an electronic data room (which will include certain financial and other information with respect to the Real Property Interests). The Receiver will also facilitate diligence by Prospective Offerors, including arranging site visits.
8. Information pertaining to the Stalking Horse Sale Process will be posted on the Receiver's website, including the within Stalking Horse Sales Process Terms, the Stalking Horse Sale Process Order, a CA and the Agreement of Purchase and Sale, dated June ●, 2018 (the “**Stalking Horse Bid**”), between the Receiver and American Iron & Metal Company Inc. (“**AIM**” or the “**Stalking Horse Bidder**”).
9. The Receiver shall have the right to limit any Prospective Offeror's access to confidential information. This will include limiting access, if deemed appropriate, to parties who the Receiver reasonably believes are not likely to be serious offerors.

Submission of Offers

10. In order to be accepted by the Receiver, any competing bid (each, a “**Competing Bid**”) for the Real Property Interests must be on substantially the same terms and conditions as those contained in the Stalking Horse Bid, except with respect to the Purchase Price (as defined in the Stalking Horse Bid). Any Competing Bid accepted by the Receiver as a superior bid to the Stalking Horse Bid is, in each case, a “**Superior Bid**”.
11. The Receiver shall, in its sole discretion, determine whether any Competing Bid is a Superior Bid, provided that no Competing Bid shall qualify as a Superior Bid unless it meets the following minimum criteria:
 - (a) it must be received by the Receiver, in its entirety, by no later than the Bid Deadline (as set out in the Sale Process Timeline below);

- (b) it must be submitted in the form of a duly executed agreement of purchase and sale, blacklined against the Stalking Horse Bid, showing any and all variations from the Stalking Horse Bid;
- (c) it must be accompanied by a cash deposit (the “**Deposit**”) in an amount equal to the sum of ten percent of the aggregate purchase price of such Competing Bid by way of certified cheque or wire, payable pursuant to the terms of such Competing Bid, and which is not subject to any encumbrances;
- (d) it must remain open for acceptance and completion until approval by the Court of an agreement of purchase and sale in respect of the Real Property Interests;
- (e) it must be on terms no less favourable and no more burdensome or conditional than the terms of the Stalking Horse Bid;
- (f) it must not contain any contingency relating to due diligence or financing or any other material conditions precedent to the bidder's obligation to close that are not otherwise contained in the Stalking Horse Bid;
- (g) it must be made by one or more bidders who can demonstrate the financial ability to consummate the transaction contemplated by such Competing Bid on the terms specified therein; and
- (h) it must be for an aggregate purchase price at least equal to the sum of the Purchase Price (as defined in the Stalking Horse Bid) plus the Break Fee (as defined in the Stalking Horse Bid) and an additional minimum increment of \$25,000.

12. The Deposit will be refunded in the event a Competing Bid, as submitted, is not accepted by the Receiver or if a party who submitted a Superior Offer is not the Winning Bidder (defined below).

The Winning Bid and Auction Process

13. In the event that one or more Superior Bid is lodged with the Receiver in accordance with the terms hereof, the Receiver will distribute the following documentation by no later than 5:00 p.m. (Toronto time) on July 12, 2018 to the Stalking Horse Bidder and the maker(s) of each Superior Bid:
 - (a) an invitation to an auction of the Real Property Interests to be held on or before 5:00 p.m. (Toronto time) on July 13, 2018 at the offices of the Receiver (the **“Auction”**);
 - (b) a copy of the bid that the Receiver, acting in its sole and unfettered discretion, having regard to all the features of the bids, believes to be the most favourable bid as between the Stalking Horse Bid and all the Superior Bids (the **“Lead Bid”**); and
 - (c) a copy of a set of rules for the conduct of the Auction, to be established by the Receiver, acting in its sole and unfettered discretion, with a view of maximizing the purchase price for the Real Property Interests (the **“Auction Rules”**), provided that the Auction Rules shall in all events provide that: (i) all bids made at the Auction shall be in accordance with the terms and conditions of the Lead Bid, except for the aggregate purchase price which will be subject to improvement through bidding in the Auction; (ii) each bid made in the course of the Auction shall exceed the aggregate purchase price payable pursuant to the preceding bid (or, in the case of the first bid made at the Auction, the Lead Bid) by no less than \$50,000; and (iii) the highest bid received at the Auction shall be the winning bid (the **“Winning Bid”**).

14. Upon acceptance of the Winning Bid at the Auction, there shall be a binding agreement of purchase and sale between the successful winning bidder (the **“Winning Bidder”**) and the Receiver (the **“Winning Bid Agreement”**), in which case the Winning Bid Agreement shall be constituted by:
 - (a) the Stalking Horse Bid or the agreement of purchase and sale submitted to the Receiver by the Winning Bidder, as the case may be, and as amended pursuant to the Auction; and
 - (b) the acceptance of the Winning Bid.

15. In the event that there is no Superior Bid lodged with the Receiver in accordance with the terms hereof, the Stalking Horse Bid and the Stalking Horse Bidder shall be declared to be the Winning Bid, the Winning Bid Agreement and the Winning Bidder, as applicable.

16. Once the Winning Bid Agreement is determined, the Receiver will bring a motion to the Court seeking approval of the Winning Bid Agreement, vesting the Real Property Interests in and to the Winning Bidder and authorizing the Receiver to undertake such actions as may be necessary or appropriate to carry out the sale transaction.

Other Terms

17. At any time during the Sale Process, the Receiver may, upon reasonable notice to the service list, apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder.
18. The sale of the Real Property Interests is strictly on an "as is, where is" basis.
19. Other than as provided in the Stalking Horse Bid, no other party shall be paid any break, termination or similar fee. For greater certainty, all Interested Parties, bidders and the Winning Bidder shall be responsible for their own fees, including legal fees, and costs relating to any transaction.
20. The Receiver, in consultation with AIM, may amend, supplement or terminate this sale procedure.

Sale Process Timeline

	Event	Timing
1.	Compile a list of interested parties through consultation with the Debtors and the Farber network of advisors and investors in the real estate sector	On or before June 5, 2018
2.	Send a teaser (the " Teaser ") and confidentiality agreement (" CA ") to all parties identified by Farber and the Debtors as potentially having an interest in the purchased assets (the " Purchased Assets ").	Within 2 business days of issuance of the Stalking Horse Sale Process Order (referred to as the " Sale Process Order ")
3.	Information pertaining to this opportunity will be posted on the Receiver's website: www.farbergroup.com which will include: <ul style="list-style-type: none">• A copy of the Stalking Horse Agreement of Purchase and Sale between the Receiver and American Iron & Metal Company Inc. (the "Purchaser");• The Stalking Horse Sales Process and related terms and conditions;• The Sale Process Order; and• A CA from the Receiver.	Within 2 business days of issuance of the Sale Process Order

	Event	Timing
4.	The Receiver shall advertise the Real Property Interests and Sale Process in <i>The Globe & Mail</i> (National Edition).	Within 5 business days of the Sale Process Order
5.	Interested Parties expressing an interest in participating in the Stalking Horse Sale Process will be required to execute the CA, upon which execution Interested Parties will receive available information in respect of the Purchased Assets and Stalking Horse Sale Process, including access to the Receiver’s virtual data room, once established, which will also include a Confidential Information Memorandum (“ CIM ”) setting out the purchase opportunity. In addition, parties wishing to undertake further due diligence will be provided with an opportunity to conduct site visits and review further additional information not available from the virtual data room. Any such sites visits are to be coordinated through the Receiver.	Through to no later than July 10, 2018
6.	Interested Parties will have until 4:00 pm Eastern Daylight Time, on Tuesday, July 10, 2018 (the “ Bid Deadline ”) to submit competing bids (hereinafter called “ Competing Bids ”), each of which must be pursuant to the Stalking Horse Bidding Procedures and, amongst other matters, will include a cash deposit equal to 10% of the Interested Party’s Bid for the Real Property Interests (the “ Deposit ”). The Deposit will be refunded in the event an Offer, as submitted, is not accepted by the Receiver. Competing Bids are to be made using the Stalking Horse Agreement of Purchase and Sale (“ APS ”) template and are to be without conditions, other than a condition for Court Approval.	On or before 4:00 PM (EDT), July 10, 2018
7.	<p>In the event one or more superior bids (“Superior Bids”) are lodged with the Receiver, in accordance with the Sale Process Order, the Receiver will distribute the following documents by no later than 5:00 p.m. EDT on July 12, 2018 to the Purchaser and each party that makes a Superior Bid:</p> <ul style="list-style-type: none"> • An invitation to an auction of the Purchased Assets to be held on or before 5:00 p.m. on July 13, 2018; • A copy of the bid that the Receiver, in its sole and unfettered discretion, believes to be the most favourable bid as between the Stalking Horse Bid and all of the Superior Bids (the “Lead Bid”); • A copy of a set of rules for the Auction established by the Receiver acted in its sole and unfettered discretion with a view of maximizing the purchase price of the Purchased Assets <p>In the event the Receiver selects a Competing Bid at the Auction, there shall be a binding agreement of purchase and sale between the winning bidder (“Winning Bidder”), while the Stalking Horse bidder will be paid the Break Fee following the closing of the sale with the Winning Bidder.</p>	On or prior to 5:00 p.m. EDT on July 13, 2018.
8.	In the event there is no Superior Bid lodged with the Receiver, the Purchaser shall be declared the Winning Bidder.	On or prior to July 13, 2018
9	Once the Winning Bid Agreement is determined (either item 7 or 8) the Receiver will make a motion to Court to obtain an Approval and Vesting Order on or prior to August 3, 2018	On or prior to August 3, 2018

	Event	Timing
11	Closing of the sale with the Winning Bidder on or prior to August 17, 2018.	On or prior to August 17, 2018

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