



Estate/Court File No.: 33-2929085

**ONTARIO SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

THE HONOURABLE) Friday the 23rd day of
)
JUSTICE KERSHMAN) June, 2023

**IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C.
1985, c. B-3, AS AMENDED AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF LA SALLE MOTEL CO. (KINGSTON) LTD., A
CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO**

**ORDER
(STAY EXTENSION AND SISP APPROVAL)**

THIS MOTION, made by La Salle Motel Co. (Kingston) Ltd. (the "**Applicant**"), for an order pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the "**BIA**"), was heard this day by judicial videoconference via Zoom.

ON READING the Notice of Motion of the Applicant, the Affidavit of John Karkoulis sworn June 12, 2023 and the Exhibits thereto (the "**John Karkoulis Affidavit**"), the Second Report of Link & Associates Inc. in its capacity as Proposal Trustee of the Applicant (the "**Proposal Trustee**") dated June 12, 2023 (the "**Second Report**"), filed, and on hearing the submissions of counsel for the Applicant, counsel for the Proposal Trustee, and such other counsel that were present, no one else appearing although duly served as appears from the affidavit of service of Sandra Noe, filed.

DEFINITIONS

1. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them under the Sale and Investment Solicitation Process attached hereto as **Schedule "A"**, including without limitation, the Bidding Procedures

set out therein (the "**SISP**"), or the Order of the Honourable Justice Kershman dated April 19, 2023 (the "**Order**"), as applicable.

EXTENSION OF THE STAY

2. **THIS COURT ORDERS** that the Stay Period be and is hereby extended until and including August 3, 2023.

APPROVAL OF SISP ADVISOR

3. **THIS COURT ORDERS** that the Company is authorized to engage Avison Young Commercial Real Estate Services, LP ("**Avison Young**") to act as SISP Advisor on terms satisfactory to the Proposal Trustee.

APPROVAL OF THE SISP

4. **THIS COURT ORDERS** that the SISP be and is hereby approved and the Applicant and the SISP Advisor, in consultation with the Proposal Trustee, are authorized and directed to carry out the SISP in accordance with its terms and the terms of this order, and are hereby authorized and directed to take such steps as they consider necessary or desirable in carrying out each of their obligations thereunder.

5. **THIS COURT ORDERS** that the timelines referenced in the SISP may be extended by and at the discretion of the Company in consultation with the Proposal Trustee.

6. **THIS COURT ORDERS** that the Applicant, the SISP Advisor and the Proposal Trustee and their respective assistants, affiliates, partners, directors, employees, advisors, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their duties under the SISP, except to the extent of such losses, claims, damages or liabilities arising or resulting from the gross negligence or wilful misconduct of the Applicant, SISP Advisor or the

Proposal Trustee, as applicable, as determined by this Court, provided however that the protections granted under this paragraph shall not apply to the directors of the Applicant in their capacity as shareholders, nor shall any provision herein relieve the shareholders of the Applicant of their obligations to each other and pursuant to s. 248 of the *Ontario Business Corporations Act*, nor relieve the directors from liability pursuant to s. 50(14) of the *Bankruptcy and Insolvency Act*.

7. **THIS COURT ORDERS** that, notwithstanding anything contained in this order or in the SISP, neither the SISP Advisor nor the Proposal Trustee shall take Possession of the Business or the Property or be deemed to take Possession of the Business or the Property.

PIPEDA

8. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* and any similar legislation in any other applicable jurisdictions, the Applicant, the SISP Advisor, the Proposal Trustee and each of their respective assistants are hereby authorized and permitted to disclose and transfer to each Qualified Bidder personal information of identifiable individuals but only to the extent desirable or required to negotiate or attempt to complete a transaction pursuant to the SISP (each a "**Transaction**"). Each Qualified Bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and if it does not complete a Transaction shall return all such information to the Applicant, the SISP Advisor, or the Proposal Trustee, as applicable, or in the alternative destroy all such information and provide confirmation of its destruction if requested by the Applicant, the SISP Advisor, or the Proposal Trustee. The Successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the Transaction(s) contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Business and/or the Property acquired pursuant to the SISP in a manner that is in all material respects identical to the prior use of such information by the Applicant, and shall return all other personal information to the Applicant, the SISP Advisor or the Proposal Trustee or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Applicant, the SISP Advisor or the Proposal Trustee.

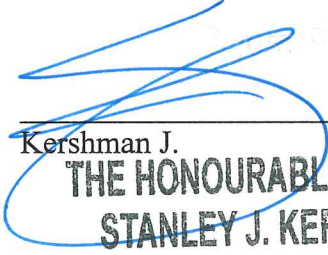
APPROVAL OF THE PROPOSAL TRUSTEE'S REPORTS, ACTIVITIES

9. **THIS COURT ORDERS** that the Second Report, and the activities of the Proposal Trustee referred to therein be and are hereby approved provided, however, that only the Proposal Trustee shall be entitled to rely upon or utilize in any way such approval.

GENERAL

10. **THIS COURT ORDERS** that any interested party may apply to this Court to amend, vary or supplement this order, or for advice and directions with respect to the SISP, on not less than seven (7) days' notice to the Service List maintained by the Applicant, and any other party or parties likely to be affected by the order sought or upon such other notice as this Court may order.

11. **THIS COURT ORDERS** that this order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this order without the need for entry or filing.


Kershman J.
THE HONOURABLE JUSTICE
STANLEY J. KERSHMAN

SCHEDULE "A" TO ORDER DATED JUNE 23, 2023

SALES AND INVESTMENT SOLICITATION PROCESS FOR THE LA SALLE PROPERTY AND/OR BUSINESS

INTRODUCTION

1. On April 3, 2023, La Salle Motel Co. (Kingston) Ltd. (the "**Company**") filed a notice of intention to make a proposal to its creditors (the "**NOI**") under the Bankruptcy and Insolvency Act, RSC 1985, c B-3, as amended (the "**BIA**"). The Company's proceedings under the BIA are referred to herein as the "BIA Proceedings". The BIA Proceedings will be supervised by the Ontario Superior Court of Justice (the "**Court**").
2. Link & Associates Inc. is the proposal trustee with respect to the NOI and the BIA Proceedings (in such capacity, the "**Proposal Trustee**").
3. The Company's only secured creditor is the Bank of Montreal ("**BMO**"). BMO has agreed to provide certain interim financing to Company during the BIA Proceedings pursuant to the order of the Court dated April 19, 2023.
4. A certificate of pending litigation was registered, with Court approval, by Peter Karkoulis Jr. on or around August 5, 2022 in respect of an action in which Peter claims an equitable interest in the land by way of a constructive or a resulting trust giving rise to proprietary estoppel.
5. On or before June 21, 2023, the Company will apply to the Court for an Order (the "**SISP Order**"), among other things, approving the sale and investment solicitation process set out herein (the "**SISP**"). Capitalized terms used herein are as defined in the SISP Order unless defined otherwise herein.
6. To assist with implementation of the SISP, the Company will engage Avison Young Commercial Real Estate Services, LP to act as the SISP Advisor (the "**SISP Advisor**").
7. The SISP Advisor will develop a list of Known Potential Bidders (as defined below), communicate and meet with interested parties, prepare and distribute marketing materials, and manage the Data Room (as defined below).

SISP OVERVIEW

8. The purpose of the SISP is to solicit interest in, and seek opportunities for, a sale of the Company's real estate and its hotel/motel and restaurant business operating assets.

9. The Company owns and operates a full-service hotel in Kingston, Ontario which operates under the Travelodge name along with separate (non-Travelodge) motel facilities and a full-service restaurant known as the Cavalier Room (collectively the **"Business"**).
10. The Business operates from real property owned by the Company located at 2360 Princess Street, Kingston, Ontario (the **"La Salle Property"**).
11. The SISP describes the manner in which individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures, governmental organizations or other entities (each, a **"Person"**) may gain access to or continue to have access to due diligence materials concerning the La Salle Property and the Business, how bids, offers, and proposals involving the Business and/or the La Salle Property will be submitted to and dealt with by the Company and Proposal Trustee, and how Court approval will be sought in respect of any Transaction (as defined below).
12. As described below, the various deadlines herein may be extended by and at the discretion of the Company in consultation with the Proposal Trustee. The Company will consider extending the various deadlines herein if it determines, in consultation with the Proposal Trustee, that such an extension will generally benefit the Company's creditors and other stakeholders, including but not limited to its shareholders. The SISP Advisor shall generally conduct and oversee the SISP under the supervision of the Proposal Trustee. If there is disagreement as to the interpretation or application of the SISP, the Court will have jurisdiction to hear and resolve such dispute.

"AS IS, WHERE IS" BASIS

13. Any transaction involving the La Salle Property and/or the Business either directly or indirectly (in each case, a **"Transaction"**) will be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the SISP Advisor, Company, Proposal Trustee, or any of their respective agents, estates, advisors, professionals or otherwise, except to the extent expressly set forth in the relevant Final Agreement (as defined herein). The key dates pursuant to the SISP are as follows (capitalized terms in the chart below have the meaning ascribed in the SISP):

<u>Event</u>	<u>Date</u>
The Company's Application to the Court for Approval of the SISP	June 21-23, 2023
Finalization of Listing Agreement with SISP Advisor	By June 30, 2023
SISP Advisor to prepare marketing materials to be used in connection with the SISP and establish Data Room	By July 14, 2023
SISP Advisor to engage in exclusive marketing period	July 15, 2023 to July 28, 2023

SISP Advisor to expand marketing to multiple MLS platforms	July 31, 2023
Offer Deadline	August 29, 2023
Acceptance of successful Offer	September 11, 2023
Company's Application to the Court for Approval Order(s)	September 27, 2023, subject to court availability
Closing of the Transaction	Within 30-days of court approved sale.

THE SISP PROCESS

A. Initial Solicitation of Interest

14. On court approval, the SISP Advisor will forthwith prepare marketing materials and establish an electronic data room in connection with the SISP (the "**Data Room**"). The SISP Advisor, in consultation with the Proposal Trustee, may contact any Persons to solicit expressions of interest in a Transaction either before or after the granting of the SISP Order.
15. As soon as reasonably practicable, the SISP Advisor will commence an exclusive marketing period during which it will, in consultation with the Company and the Proposal Trustee, prepare a list of potential bidders (the "**Known Potential Bidders**") who may have interest in a Transaction. Such list may include all Persons who previously expressed an interest or submitted an offer for the La Salle Property and/or the Business when it was previously listed for sale, and shall also include both strategic and financial parties who may be interested in acquiring an interest in:
 - a. the Company's combined operating and real estate assets pursuant to an asset purchase transaction which will contemplate operating the Business of the Company as a going concern (an "**Asset Bid**");
 - b. a bid strictly on the La Salle Property only (a "**Land Bid**"); and
 - c. any other restructuring, investment or financing proposal (an "**Investment and Refinancing Bid**").
16. Concurrently, the SISP Advisor will prepare an initial offering summary (the "**Teaser Letter**") notifying Known Potential Bidders of the SISP and inviting the Known Potential Bidders to express interest in making an Asset Bid, Land Bid or Investment and Refinancing Bid (each, a "**SISP Bid**").
17. The SISP Advisor, in consultation with the Company and the Proposal Trustee, shall distribute to the Known Potential Bidders and any other interested Persons the Teaser Letter, as well as a draft form of confidentiality agreement (the "**Confidentiality**").

Agreement") that shall inure to the benefit of the Person or Persons who make the Winning Bid (as defined herein) pursuant to this SISP. Copies of the Teaser Letter and Confidentiality Agreement shall also be provided to any appropriate Persons who becomes known to the SISP Advisor after the initial distribution of such documents.

18. Following the exclusive marketing period, the SISP Advisor will list the La Salle Property and Business on multiple MLS platforms for additional exposure to the market no later than July 31, 2023.
19. Any Person who wishes to be deemed a Potential Bidder (as defined below) and proceed to execute a Confidentiality Agreement shall first contact the SISP Advisor for this purpose. The SISP Advisor shall inform the Company and the Proposal Trustee of all Potential Bidders. In consultation with the Company and the SISP Advisor, the Proposal Trustee shall, in its sole discretion, determine whether such Person shall be permitted to become a Potential Bidder, based on:
 - a. the identity of the Person, including its direct and indirect principals;
 - b. the Person's financial capabilities to conclude a Transaction; and
 - c. any other criteria the Proposal Trustee considers to be relevant.
20. Any Person whom the Proposal Trustee permits to become a potential bidder (each a "**Potential Bidder**") shall, upon executing a Confidentiality Agreement in form and substance satisfactory to the Company and the Proposal Trustee, be permitted to have access to the Data Room and become entitled to receive certain confidential information.
21. Peter Karkoulis Jr., the estate of George Karkoulis and/or any of its beneficiaries shall be deemed to be a Potential Bidder.
22. Hao Chen and 1000073686 Ontario Inc. shall be deemed to be a Potential Bidder.

B. Due Diligence

23. The SISP Advisor shall provide each Potential Bidder with information, including access to the Data Room, that the SISP Advisor in its reasonable business judgment and in consultation with the Company and the Proposal Trustee, determines to be necessary for the Potential Bidder to evaluate a transaction involving a SISP Bid.
24. The SISP Advisor, in consultation with the Company and the Proposal Trustee, will prepare a confidential information memorandum ("**CIM**"), describing the opportunity to make a SISP Bid and shall deliver the CIM to each Potential Bidder as soon as practicable after such Person is deemed to be a Potential Bidder in accordance with this SISP.

25. The Company and the SISP Advisor shall coordinate all reasonable requests for additional information and due diligence access from Potential Bidders. Neither the Company nor the SISP Advisor will be obliged to furnish any information relating to the La Salle Property or the Business other than to a Potential Bidder.
26. The SISP Advisor, the Company and the Proposal Trustee make no representation or warranty as to the information contained in the CIM or otherwise made available pursuant to the SISP, including any information contained in the Data Room.

C. Bid Process

27. The SISP Advisor may invite Potential Bidders to conduct additional due diligence or otherwise make available to Potential Bidders additional information not posted in the Data Room, meet with management of the Company, or arrange for inspections and site visits at the La Salle Property. The Data Room will include, among other things, a form of purchase agreement for use by Potential Bidders in the case of an Asset Bid and/or Land Bid.
28. Any Potential Bidder may submit an Asset Bid, Land Bid, or Investment and Refinancing Bid deemed by the Company, in consultation with the Proposal Trustee, to be a Qualified Investment or Refinancing Bid (each, a "**Final Bid**") to the SISP Advisor at the address specified in Schedule "A" hereto on or before 5:00 p.m. (Eastern Standard time) on August 29, 2023, or such later time and date as the Company may determine, in consultation with the Proposal Trustee and the SISP Advisor (the "**Final Bid Deadline**").
29. Final Bids shall be reviewed by the Company, in consultation with the Proposal Trustee and the SISP Advisor.
30. A Final Bid submitted as an Asset Bid shall be a "Qualified Asset Bid" in the event that all of the following are satisfied:
 - a. it includes a letter stating that the Asset Bid is irrevocable until the earlier of
 - i. the approval by the Court, and
 - ii. four (4) days following the Final Bid Deadline; provided, however, that if such Asset Bid is selected as the Winning Bid, it shall remain irrevocable until the closing of the transaction contemplated by the Winning Bid, as the case may be;
 - b. it includes a duly authorized and executed purchase and sale agreement specifying all the consideration payable, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Potential Bidder with all exhibits and schedules thereto;

- c. it identifies the proposed treatment of employees of the Company and of any material contracts;
- d. it identifies whether the Asset Bid is *en bloc*, and excluded, and/or any additional assets desired to be included in the transaction;
- e. it does not include any request or entitlement to any break fee, expense reimbursement or similar type of payment;
- f. it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence satisfactory to the Proposal Trustee to allow the Proposal Trustee to make a reasonable determination as to the Potential Bidder's (and its direct and indirect owners and their principals) financial and other capabilities to consummate the transaction contemplated by the Asset Bid;
- g. it is not conditional on
 - A. the outcome of unperformed due diligence by the Potential Bidder and/or
 - B. obtaining any financing capital and includes an acknowledgment and representation that the bidder has had an opportunity to conduct any and all required due diligence prior to making its Asset Bid;
- h. it is not conditional upon any governmental or regulatory approval;
- i. it fully discloses the identity of each Person that is bidding or otherwise that will be sponsoring or participating in the Asset Bid, including the identification of the bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
- j. it identifies the structure and financing of the transaction (including, but not limited to, the sources of financing for the purchase price, evidence of the availability of such financing and the steps necessary and associated timing to obtain the financing and consummate the proposed transaction and any related contingencies, as applicable);
- k. it describes any corporate, shareholder or internal approvals required to close the transaction and the anticipated timeframe for obtaining such approvals;
- l. it is accompanied by a refundable cash deposit (a "**Deposit**") in the form of a wire transfer paid into a trust account maintained by the Proposal Trustee's counsel, in a non-interest bearing account in an amount equal to ten percent (10%) of the

consideration to be paid in respect of the Asset Bid, to be held and dealt with in accordance with this SISP;

- m. it contains any other information requested by the Proposal Trustee or the Company; and
 - n. it is received by no later than the Final Bid Deadline.
31. A Final Bid submitted as a Land Bid shall be a "Qualified Land Bid" in the event that all of the following are satisfied:
- a. it includes definitive documentation, duly authorized and executed by the Potential Bidder, setting out the terms and conditions of the proposed transaction, including the purchase price, the aggregate amount of the proposed equity and debt investment, assumption of debt if any, and details regarding the proposed equity and debt structure of the Company following completion of the proposed transaction;
 - b. it includes a letter stating that the Land Bid is irrevocable until the earlier of
 - A. the approval by the Court, and
 - B. four (4) days following the Final Bid Deadline; provided, however, that if such Land Bid is selected as the Winning Bid, it shall remain irrevocable until the closing of the transactions contemplated by the Winning Bid, as the case may be;
 - c. it does not include any request or entitlement to any break fee, expense reimbursement or similar type of payment;
 - d. it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence satisfactory to the Proposal Trustee, to allow the Proposal Trustee to make a reasonable determination as to the Potential Bidder's (and its direct and indirect owners and their principals) financial and other capabilities to consummate the transaction contemplated by the Land Bid;
 - e. it is not conditional on
 - A. the outcome of unperformed due diligence by the Potential Bidder and/or

- B. obtaining any financing capital and includes an acknowledgment and representation that the bidder has had an opportunity to conduct any and all required due diligence prior to making its Land Bid;
 - f. it is not conditional upon any governmental or regulatory approval;
 - g. it describes any corporate, shareholder or internal approvals required to close the transaction and the anticipated timeframe for obtaining such approvals;
 - h. it fully discloses the identity of each entity that is bidding or otherwise that will be sponsoring or participating in the Land Bid, including the identification of the Potential Bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
 - i. it is accompanied by a refundable cash deposit (a "**Deposit**") in the form of a wire transfer paid into a trust account maintained by the Proposal Trustee's counsel, in a non-interest bearing account in an amount equal to ten percent (10%) of the consideration to be paid in respect of the Land Bid, to be held and dealt with in accordance with this SISP;
 - j. it contains other information requested by the Proposal Trustee or Company; and
 - k. it is received by no later than the Final Bid Deadline.
32. A Final Bid submitted as an Investment and Refinancing Bid shall be a "Qualified Investment and Refinancing Bid" in the event that all of the following are satisfied:
- a. it includes a letter stating that the transaction or proposal is irrevocable until the earlier of
 - A. the approval by the Court, and
 - B. four (4) days following the Final Bid Deadline; provided, however, that if the Investment and Refinancing Bid is selected as the Winning Bid, it shall remain irrevocable until the closing of the transaction contemplated by the Winning Bid, as the case may be;
 - b. it includes a description of the structure of the transaction with sufficient detail to allow the Company to assess the impact of the transaction on known creditors (including contingent creditors) and other stakeholders;
 - c. it describes the proposed treatment of employees of the Company and of any material contracts;
 - d. it includes a duly authorized and executed agreement specifying all material terms, all consideration payable, together with all exhibits and schedules thereto, and such

ancillary agreements as may be required by the Potential Bidder with all exhibits and schedules thereto;

- e. it does not include any request or entitlement to any break fee, expense reimbursement or similar type of payment;
- f. it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank, financial institution or other lender satisfactory to the Proposal Trustee, to consummate the proposed transaction, or other evidence satisfactory to the Proposal Trustee to allow the Proposal Trustee to make a reasonable determination as to the Potential Bidder's (and its direct and indirect owners and their principals) financial and other capabilities to consummate the contemplated transaction(s);
- g. it is not conditional on
 - A. the outcome of unperformed due diligence by the Potential Bidder and/or
 - B. obtaining any financing capital and includes an acknowledgment and representation that the bidder has had an opportunity to conduct any and all required due diligence prior to making its proposal;
- h. it is not conditional upon any governmental or regulatory approval;
- i. it describes any corporate, shareholder or internal approvals required to close the transaction and the anticipated timeframe for obtaining such approvals;
- j. it fully discloses the identity of each Person that is bidding or otherwise that will be sponsoring or participating in the transaction(s), including the identification of the bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
- k. it is accompanied by a refundable cash deposit (a "**Deposit**") in the form of a wire transfer paid into a trust account maintained by the Proposal Trustee's counsel, in a non-interest bearing account in an amount equal to ten percent (10%) of the consideration to be paid in respect of the Investment and Refinancing Bid, to be held and dealt with in accordance with this SISP;
- l. it contains other information requested by the Proposal Trustee or the Company;
and
- m. it is received by no later than the Final Bid Deadline.

33. Any Potential Bidder who submits a Qualified Asset Bid, Qualified Land Bid or Qualified Investment or Financing Bid on or before the Final Bid Deadline, to the satisfaction of the Proposal Trustee in its sole discretion, shall be designated a "Qualified Bidder". In determining whether a Potential Bidder shall be designated a Qualified Bidder, the Proposal Trustee shall consult with the Company and the SISP Advisor.
34. All Qualified Asset Bids, Qualified Land Bids and Qualified Investment and Refinancing Bids shall constitute "Qualified Final Bids". The Proposal Trustee, in consultation with the Company and the SISP Advisor, may waive the strict compliance of one or more of the requirements specified above and deem any Final Bid(s) to be a Qualified Final Bid and notwithstanding any non-compliance with the terms and conditions of this SISP.
35. In the event that no Person submits a Qualified Final Bid, or that no Qualified Final Bid is deemed commercially reasonable to the Company and the Proposal Trustee, the Company may, with the approval of the Proposal Trustee, terminate the SISP. If no Qualified Final Bids are received by the Final Bid Deadline the Company may, with the approval of the Proposal Trustee, consider other forms of bids for the Business and/or La Salle Property.

D. Selection of Winning Bid

36. The Company shall review all Qualified Final Bids in consultation with the Proposal Trustee, and with the SISP Advisor. The Company may, but shall have no obligation to, enter into a definitive agreement or agreements (each a "**Final Agreement**") with the Person or Persons who submitted the highest, best or otherwise most favourable Qualified Final Bid(s).
37. In the event that the Company enters into one or more Final Agreements on or before 5:00 p.m. (Eastern Standard time) on September 11, 2023, or such later time and date that the Company may determine, in consultation with the Proposal Trustee and SISP Advisor (the "**Final Agreement Deadline**"), any Qualified Bid so selected shall be a "Winning Bid". Any Qualified Bidder that makes a Winning Bid shall be a "Successful Bidder".
38. The Proposal Trustee will notify the Successful Bidder of the Final Agreement.
39. This SISP shall terminate in the event that:
 - a. no Qualified Bidder submits or is deemed to have submitted a Qualified Final Bid;
 - b. the Company, in consultation with the Proposal Trustee and SISP Advisor, determines that none of the Qualified Final Bids should be accepted; or
 - c. a Final Agreement has not been entered into before the Final Agreement Deadline and the Company has elected not to extend the Final Agreement Deadline.

40. The highest Qualified Final Bid may not necessarily be accepted by the Company. The Company in consultation with the Proposal Trustee, and SISP Advisor, reserves the right not to accept any Qualified Final Bid or to otherwise terminate the SISP. The Company, in consultation with the Proposal Trustee, and SISP Advisor, further reserves the right to deal with one or more Qualified Bidders to the exclusion of other Persons, to accept a Qualified Final Bid or Qualified Final Bids for some or all of its property, Company or the Business, to accept multiple Qualified Final Bids and enter into multiple Final Agreements, taking into account the best interests of the Company's stakeholders.

APPROVAL ORDERS

41. In the event that the Company enters into a Final Agreement, on or before 5:00 p.m. (Eastern Standard time) on September 11, 2023, the Company shall apply as soon as reasonably practicable thereafter, for orders (the "**Approval Orders**") from the Court, in form and substance satisfactory to the Company and to the Proposal Trustee, approving the transaction contemplated by the Winning Bid and any necessary related relief required to consummate the transaction contemplated by the Winning Bid, subject to the terms of the Final Agreement.
42. An Approval Order shall become a "Final Order" upon satisfaction of the following conditions:
- a. it is in full force and effect;
 - b. it has not been reversed, modified or vacated and is not subject to any stay; and
 - c. all applicable appeal periods have expired and any appeals therefrom have been finally disposed of, leaving the Approval Order wholly operable.

CLOSING

43. Closing of the transactions contemplated in any Final Agreement shall occur within thirty (30) days of the date upon which the Approval Order(s) have become Final Orders, or as may be extended with the approval of the Proposal Trustee, in consultation with the SISP Advisor.

DEPOSITS

44. All Deposits paid pursuant to this SISP shall be held in trust by the Proposal Trustee's counsel, in a non-interest bearing account. The Proposal Trustee's counsel shall hold Deposits paid by the Successful Bidder in accordance with the terms outlined in this SISP. In the event that a Deposit is paid pursuant to this SISP and the Company, in consultation

with the Proposal Trustee, elects not to proceed to negotiate and settle the terms and conditions of a definitive agreement with the Person that paid such Deposit, the Proposal Trustee's counsel shall return the Deposit to that Person.

45. In the event that the Successful Bidder defaults in the payment or performance of any obligations owed to the Company or the Proposal Trustee pursuant to any Final Agreement, the Deposit paid by the Successful Bidder, shall be forfeited to such party as liquidated damages and not as a penalty.

SCHEDULE "A"

Addresses for Deliveries. Any notice or other delivery made to the SISP Advisor and/or the Proposal Trustee pursuant to this SISP shall be made to:

SISP Advisor:

Avison Young Commercial Real Estate Services, LP
Kelly J. Avison, AACI
Broker, Principal - Capital Markets Group
222 Bay St.
Suite 2500, Box 245
Toronto, ON M5K 1J5 Canada

Tel: +1 416.673.4030
Fax: +1 416.955.0724
Email: kelly.avison@avisonyoung.com

Proposal Trustee:

Robert Link
LINK & ASSOCIATES INC.
Receivers + Trustees
7050 Weston Road
Suite #228
Woodbridge, Ontario
L4L 8G7

Tel: 416.737.6655
Fax: 416.862.2136
Email: rlink@linkassociates.ca

Lawyer for Proposal Trustee:

Pavle Masic
Ricketts Harris LLP
Barristers and Solicitors
181 University Ave, Suite 800
Toronto, ON M5H 2X7

Tel: 647.260.2201
Fax: 647.260.2225
Email: pmasic@rickettsharris.com

Deliveries pursuant to this SISP by email shall be deemed to be received when sent. In all other instances, deliveries made pursuant to this SISP shall be deemed to be received when delivered to the relevant address, as identified above.