

**“THE ONE”
SALE AND INVESTMENT SOLICITATION PROCESS**

Introduction

On October 18, 2023, pursuant to an order (the “**Receivership Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), Alvarez & Marsal Canada Inc. was appointed as receiver and manager (the “**Receiver**”), without security, of all of the assets, undertakings and properties of Mizrahi Commercial (The One) LP, Mizrahi Development Group (The One) Inc., and Mizrahi Commercial (The One) GP Inc. (collectively, the “**Companies**”) acquired for, or used in relation to, a business carried on by the Companies including, without limitation, in connection with the development of a mixed-use tower located at the southwest corner of Yonge Street and Bloor Street West in Toronto, Ontario and legally described on Schedule “A” hereto (the “**Project**”) and the Project itself, including all proceeds thereof (collectively, the “**Property**”).

On June 6, 2024, the Court approved the sale and investment solicitation process set forth herein (the “**SISP**”). The purpose of the SISP is to seek and implement proposal(s) from Participating Bidders for a Transaction Proposal or a Development Proposal (each as defined below) that would maximize the value of the Project and continue its construction and development to completion for the benefit of stakeholders. The Receiver has retained Jones Lang LaSalle Real Estate Services, Inc. (the “**Broker**”) to assist in the development and execution of the SISP and related marketing strategy.

The SISP sets out the following, among other things:

- a. the Opportunities available to Participating Bidders, being a Transaction Proposal or a Development Proposal (each as defined and described below); the manner in which the SISP will be implemented and supervised; and the manner in which notice of the Opportunities will be provided and interest solicited;
- b. the timelines and process for Phase 1 of the SISP (“**Phase 1**”), including the manner in which Potential Bidders may become Participating Bidders and complete initial due diligence; the timing for submitting non-binding LOIs; the requirements to be considered a Qualified LOI, including, in the case of a Transaction Proposal, meeting the Minimum Bid Threshold of \$1.2 billion; and the manner in which Qualified LOIs will be considered and assessed;
- c. the timelines and process for Phase 2 of the SISP, if implemented (“**Phase 2**”), including the completion of additional due diligence; the timing for submitting Final Bids; the requirements to be considered a Qualified Bid; and the criteria for considering, assessing and selecting a Successful Bid; and
- d. the timing and process for Court approval of a Successful Bid.

Defined Terms

1. Capitalized terms used in the SISP have the meanings given to them herein and as set out in Appendix “A” hereto.

Opportunities

2. The SISP is intended to solicit interest in the opportunity to:
 - (a) acquire or invest in the Project (or either of the Residential Component or the Commercial Component) pursuant to one or more sale or investment transactions (a “**Transaction Proposal**”) that individually or in the aggregate have a purchase price or investment amount equal to or exceeding \$1.2 billion, payable in full and in cash on the closing of the transaction (or payable in such other form of consideration acceptable to the Senior Secured Lenders in their sole discretion) (the “**Minimum Bid Threshold**”); or
 - (b) enter into an arrangement with the Senior Secured Lenders to complete the construction, development and realization of value from the Project on terms acceptable to each of the Receiver and the Senior Secured Lenders (a “**Development Proposal**”, and together with the Transaction Proposal, the “**Opportunities**” and each an “**Opportunity**”).
3. Each of the foregoing Opportunities will be presented and implemented on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Companies, the Receiver, the Broker or any of their respective Affiliates, agents or estates, except to the extent set forth in a definitive final agreement executed with a Successful Bidder and approved by the Court.
4. Participating Bidders must rely solely on their own independent review, investigation and/or inspection of all information in respect of the Project in connection with their participation in the SISP and any transaction they enter into in respect of the Project.

Timeline

5. The following table provides a high-level summary of the key stages and milestones (each, a “**Milestone**”) under the SISP:

Milestone	Date(s)
Phase 1: Formal Marketing Process and Initial Due Diligence Period	June 6, 2024 – July 30, 2024
Phase 1 Bid Deadline	July 30, 2024
Phase 2: Due Diligence Period for Qualified Bidders	August 13, 2024 – September 24, 2024
Phase 2 Bid Deadline	September 24, 2024
Court Approval of Successful Bid	Not later than the week of October 14, 2024 (subject to Court availability)

Any of the Milestones may be extended by the Receiver if it considers it appropriate to do so, after consultation with the Broker and with the consent of the Senior Secured Lenders.

Any extensions to the Milestones will be communicated to all known Participating Bidders or Qualified Bidders at the relevant time and such extensions shall be posted on the website the Receiver maintains in respect of these receivership proceedings at <https://www.alvarezandmarsal.com/theone> (the “**Receiver’s Website**”).

Supervision of and Amendment to the SISP

6. The marketing of the Opportunities and discussions and negotiations with Potential Bidders and Participating Bidders in respect of same, as described in the SISP, will be conducted by the Broker on behalf of, and under the supervision of, the Receiver. For the avoidance of doubt, the Broker shall have no authority or ability to bind the Receiver and all decisions contemplated to be made hereunder shall be made by the Receiver.
7. The Receiver, after consultation with the Broker and the Senior Secured Lenders, shall have the right to modify the existing terms, conditions or requirements for the SISP or adopt such other terms, conditions or requirements for the SISP (including terms, conditions or requirements that may depart from those set forth herein), that in its reasonable business judgement will better promote the purpose of the SISP; provided that the adoption of any terms, conditions or requirements that materially deviate from the SISP shall require the prior consent of the Senior Secured Lenders or an order of the Court.

Notice and Solicitation of Interest

8. As soon as reasonably practicable after the granting of an order approving the SISP (the “**SISP Approval Order**”), but in any event no more than five (5) Business Days after the issuance of the SISP Approval Order, the Broker and the Receiver will:
 - (a) prepare a list of potential bidders for each Opportunity (a “**Bidder List**”);
 - (b) prepare a marketing brochure (the “**Brochure**”) describing the Opportunities and a form of non-disclosure agreement to be signed by Potential Bidders (the “**NDA**”);
 - (c) prepare a confidential information memorandum (the “**CIM**”) with detailed Project information to be provided to Potential Bidders who have signed the NDA; and
 - (d) cause a notice of the SISP (and such other relevant information which the Broker and the Receiver consider appropriate) to be posted on the Receiver’s Website.
9. Thereafter, the Broker, with the assistance of the Receiver, will send the Brochure and the NDA to: (a) all parties on the Bidder List; and (b) any other party who wishes to participate in the SISP who requests a copy of the Brochure or is identified to the Broker or the Receiver as a potential bidder (each party in (a) and (b) being a “**Potential Bidder**”). The CIM will be delivered to Participating Bidders following delivery of their signed NDA.

SISP – Phase 1

10. During Phase 1, the Broker (under the supervision of the Receiver and in accordance with the SISP) will solicit non-binding indications of interest in the form of non-binding letters of intent (“**LOIs**”) from Potential Bidders in respect of each Opportunity.
11. A Potential Bidder will be deemed to be a “**Participating Bidder**” if it delivers an executed NDA to the Receiver and the Broker. At any time during Phase 1 or Phase 2, the Receiver may, in its reasonable business judgment, and after consultation with the Senior Secured Lenders, eliminate a Participating Bidder from the SISP, in which case such bidder will no longer be a Participating Bidder for the purposes of the SISP.

Due Diligence

12. The Broker will provide each Participating Bidder with a copy of the CIM and access to an electronic data room developed for Phase 1 which shall contain certain due diligence information in respect of the Project. Each Participating Bidder will also be provided with access to such other due diligence materials, information and opportunities relating to the Project as the Receiver, in its reasonable business judgment, in consultation with the Broker, determines necessary or appropriate from time to time, subject to paragraph 14 below.
13. At the request of a Participating Bidder, the legal and financial advisor(s) and/or financing sources of such Participating Bidder may also be granted access to the materials and information described in paragraph 12 provided that, in each case, any such advisor or financing source (a) is reasonably acceptable to the Broker and the Receiver; and (b) has executed or is bound by an NDA, or is subject to an alternative confidentiality arrangement acceptable to the Receiver.
14. The Receiver and the Broker reserve the right to restrict any Participating Bidder’s access to selected due diligence information or materials at any time during Phase 1 or Phase 2, where such information or materials contain proprietary or sensitive competitive information and the Receiver determines, in its reasonable business judgement, that a Participating Bidder’s access to such information or materials may have a negative impact on the conduct of the SISP or is otherwise not in best interests of the Companies or their stakeholders.
15. The Receiver and the Broker, and their respective contractors, advisors, consultants and lawyers, make no representation or warranty as to the accuracy or completeness of the information: (a) contained in the Brochure, the CIM, the SISP or any electronic data room; (b) provided through the due diligence process in Phase 1 or Phase 2; or (c) otherwise made available, except to the extent expressly specified in any definitive agreement with a Successful Bidder executed and delivered in respect of an Opportunity.
16. At no stage of the SISP shall any Participating Bidder make contact, directly or indirectly, with any directors, officers or principals of the Companies, the Unit Purchasers, entities who have or are continuing to provide goods or services in relation to the construction or development of the Project, including, without limitation, current or former construction

managers, general contractors, developers, subcontractors and consultants of the Project (collectively, the “**Suppliers**”), lien claimants (if any) or other creditors of the Project or their representatives with respect to any Opportunity, without the express prior written consent of the Receiver; provided that Participating Bidders seeking to develop and submit a Development Proposal shall, subject to the Receiver having been given prior written notice, be given appropriate access to the Senior Secured Lenders and their advisors.

Non-Binding Letters of Intent from Participating Bidders

17. A Participating Bidder that wishes to pursue an Opportunity must deliver an LOI in respect of such Opportunity by no later than 5:00 pm (Toronto time) on July 30, 2024 (the “**Phase 1 Bid Deadline**”), to the Receiver at sferguson@alvarezandmarsal.com and jnevsky@alvarezandmarsal.com, and to the Broker at Matt.Picken@jll.com.

Qualified LOIs

18. A LOI will be considered a qualified LOI (a “**Qualified LOI**”) only if it meets the following criteria:
- (a) the LOI is submitted by a Participating Bidder and received by the Broker and the Receiver on or before the Phase 1 Bid Deadline;
 - (b) the LOI sets forth the identity of the Participating Bidder and full disclosure of any (i) entities and/or individuals that control the Participating Bidder or hold the power, directly or indirectly, to cause the direction of the management and/or policies of the Participating Bidder; and (ii) shareholders, unitholders, economic interest holders and/or beneficiaries of the Participating Bidder and/or the beneficial owner (if any), holding, directly or indirectly, the shares, units and/or interests of the Participating Bidder and/or of the beneficial owner thereof (if any);
 - (c) the LOI contains an indication of whether the Participating Bidder is making a Transaction Proposal or a Development Proposal;
 - (d) in the case of a Transaction Proposal:
 - (i) the purchase price or investment amount is equal to or exceeds the Minimum Bid Threshold (or, in the case of a Transaction Proposal for the Residential Component or the Commercial Component only, the purchase price or investment amount would, if combined with a Transaction Proposal for the other component(s) of the Project by a third party Participating Bidder, equal or exceed the Minimum Bid Threshold); and
 - (ii) the LOI identifies or contains the following:
 - (A) a detailed description of the Participating Bidder’s experience and expertise in the development and operation of large mixed-use, high-rise development projects in urban centres, including current and future development projects, and whether it is registered with

Tarion Warranty Corporation and the Home Construction Regulatory Authority as a builder and/or vendor;

- (B) a description of the proposed purchaser or purchasers, investor or investors, as the case may be, each of which must be a Participating Bidder;
- (C) identifies if the Participating Bidder seeks to acquire the entire Project, or the Residential Component or the Commercial Component and how the Participating Bidder intends to complete the construction and development of the Project;
- (D) the purchase price or investment amount in Canadian dollars, including details of any liabilities to be assumed by the Participating Bidder;
- (E) a specific indication of the sources of financing for the transaction and preliminary evidence of the sources and availability of such financing, steps necessary and associated timing to obtain such financing and any related contingencies, as applicable, and such other financial information that will allow the Receiver, in consultation with the Broker and the Receiver's lawyers, to make a reasonable business judgment as to the Participating Bidder's ability to consummate the proposed transaction;
- (F) if applicable, the underlying assumptions regarding the ongoing carrying and construction costs and proposed term of any ongoing financing for the Project;
- (G) any anticipated corporate, unitholder, shareholder, internal or regulatory approvals required to make a binding offer and close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals and closing the transaction;
- (H) specific statements concerning the proposed treatment of stakeholders in the Project, including Secured Creditors, Unit Purchasers, Suppliers, and lien claimants (if any);
- (I) additional due diligence required to be conducted during Phase 2, if any;
- (J) any material conditions to closing that the Participating Bidder anticipates will be required to consummate the proposed transaction; and
- (K) anticipated timing of closing of the proposed transaction;

- (e) in the case of a Development Proposal:
 - (i) the proposal is acceptable (solely for purposes of proceeding to Phase 2) to the Senior Secured Lenders in their sole and absolute discretion; and
 - (ii) the LOI identifies or contains the following:
 - (A) a detailed description of the Participating Bidder's experience and expertise in the development of large mixed-use, high-rise development projects in urban centres, including current and future development projects, and whether it is registered with Tarion Warranty Corporation or the Home Construction Regulatory Authority as a builder and/or vendor;
 - (B) a detailed description of the structure of the proposed arrangement and related transaction, including any proposed investment in the Project; the specific terms of any proposed ongoing financing (which may include proposed financing arranged by the Senior Secured Lenders), including the interest rate, term, debt service or other fees, redemption, prepayment or repayment attributes and any other material attributes; and any fees, entitlements, interests or other consideration sought by the Participating Bidder in connection with the Development Proposal;
 - (C) a specific indication of the sources of financing for the arrangement and related transaction (which may include proposed financing arranged by the Senior Secured Lenders), if any, and preliminary evidence of the sources and availability of such financing, steps necessary and associated timing to obtain such financing and any related contingencies, as applicable, and such other financial information that will allow the Receiver, in consultation with the Broker and the Receiver's lawyers, to make a reasonable business judgment as to the Participating Bidder's ability to enter into the arrangement and close the related transaction;
 - (D) a preliminary description of the Participating Bidder's plans for the development of the Project (the "**Development Plan**") which may include: (i) a pro forma model and estimated timeline to complete construction of the Project; (ii) any proposed construction changes and the impacts, if any, on the construction schedule; (iii) proposed sales, marketing and branding strategies for the Residential Component; (iv) the proposed business plan for the Commercial Component of the Project, including the hotel, restaurant and parking components;
 - (E) the underlying assumptions regarding the ongoing carrying and construction costs and proposed term of any ongoing financing;

- (F) any anticipated corporate, unitholder, shareholder, internal or regulatory approvals required to enter into the arrangement and close the related transaction, the anticipated time frame and any anticipated impediments for obtaining such approvals and closing the transaction;
 - (G) specific statements concerning the proposed treatment of stakeholders in the Project, including Secured Creditors, Unit Purchasers, Suppliers, and lien claimants (if any);
 - (H) additional due diligence required to be conducted during Phase 2, if any;
 - (I) any material conditions to closing that the Participating Bidder anticipates will be required to consummate the proposed transaction; and
 - (J) anticipated timing of closing of the proposed transaction; and
- (f) it includes any other terms or conditions of the Transaction Proposal or Development Proposal which the Participating Bidder believes are material to the transaction and such other information as may have been reasonably requested by the Receiver, in consultation with the Broker and the Senior Secured Lenders.
19. The Receiver, in consultation with the Broker, may waive compliance with any one or more of the requirements specified above and deem any such non-compliant LOI to be a Qualified LOI; provided that the consent of the Senior Secured Lenders shall be required to waive the requirements set forth in subparagraphs 18(d)(i) and 18(e)(i). For the avoidance of doubt, the completion of any Transaction Proposal or Development Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.

Phase 1 Assessment of LOIs and Continuation or Termination of SISP

20. Within seven (7) Business Days following the Phase 1 Bid Deadline (or such later date as may be determined by the Receiver in consultation with the Broker and the Senior Secured Lenders) (the “**Phase 1 Assessment Date**”), the Receiver, in consultation with the Broker and the Senior Secured Lenders:
- (a) will review the LOIs received to determine whether they are Qualified LOIs that meet the criteria set out in paragraph 18;
 - (b) will assess the Qualified LOIs to determine whether there is a reasonable prospect of obtaining a Qualified Bid, as defined and described below; and
 - (c) to the extent required, may request clarification of the terms of Qualified LOIs (or, for the avoidance of doubt, any LOIs to determine if they are Qualified LOIs).

21. In assessing the Qualified LOIs to determine whether there is a reasonable prospect of obtaining a Qualified Bid, the Receiver, in consultation with the Broker and the Senior Secured Lenders, will consider, among other things, the following, as applicable to each Opportunity:
 - (a) the form and amount of consideration offered, including, in the case of a Transaction Proposal, whether it will equal or exceed the Minimum Bid Threshold, and the timing of receipt of such consideration;
 - (b) the demonstrated financial capability of the Participating Bidder to consummate the proposed transaction and its relevant experience and expertise, including the Participating Bidder's experience with the development and operation of large mixed-use, high-rise development projects in urban centres, whether it is registered with Tarion Warranty Corporation and the Home Construction Regulatory Authority as a builder and/or vendor, as well as its capacity to obtain financing for such a transaction;
 - (c) whether the Participating Bidder is considered by the Receiver, in its sole and absolute judgement, following consultation with the Broker and the Senior Secured Lenders, to be able to consummate the proposed transaction in an efficient and timely manner following Court approval thereof;
 - (d) any and all proposed conditions to the transaction remaining and the steps to be taken to address them prior to the Phase 2 Bid Deadline;
 - (e) the terms and conditions of any proposed treatment of stakeholders in the Project, including Secured Creditors, Unit Purchasers, Suppliers, and lien claimants (if any), as may be contemplated by the proposed transaction;
 - (f) the estimated time required to complete the proposed transaction and whether, in the Receiver's reasonable business judgment, it is reasonably likely to close in accordance with such estimate; and
 - (g) the Qualified Bid Requirements set out below.
22. If one or more Qualified LOIs are received and the Receiver, in consultation with the Broker and the Senior Secured Lenders, determines there is a reasonable prospect of obtaining a Qualified Bid, the SISP shall continue into the second phase in accordance with the Phase 2 SISP procedures. In making such determination, the Receiver may consider: (a) whether separate LOIs for a Transaction Proposal for the Residential Component and the Commercial Component could, collectively, result in a reasonable prospect of obtaining a Qualified Bid; or (b) whether separate LOIs for a Transaction Proposal for the Commercial Component and a Development Proposal for the Residential Component could, collectively, result in a reasonable prospect of obtaining a Qualified Bid.
23. If the Receiver, in consultation with the Broker and the Senior Secured Lenders, determines that (a) no Qualified LOI has been received, or (b) there is no reasonable prospect of a Qualified LOI resulting in a Qualified Bid, then the Receiver may give notice of the

termination of the SISP by email to the Service List and Participating Bidders who submitted LOIs.

SISP – Phase 2

24. In the event the SISP proceeds to Phase 2, the Receiver, in consultation with the Broker, will prepare a bid process letter for Phase 2 (the “**Bid Process Letter**”), and the Bid Process Letter will be sent to all Participating Bidders who submitted Qualified LOIs and have been selected by the Receiver to participate in Phase 2 (“**Qualified Bidders**”).
25. Phase 2 of the SISP shall include the opportunity for Qualified Bidders to: (a) conduct additional diligence; and (b) prepare and submit a Final Bid on or before the Phase 2 Bid Deadline. During Phase 2, each Qualified Bidder will be granted access to an electronic data room developed for Phase 2, the Form of Transaction Agreement and such further due diligence materials and information relating to the Project, if any, as the Receiver, in its reasonable business judgment, in consultation with the Broker, determines appropriate, subject to paragraph 14 above. At the request of a Qualified Bidder, the legal and financial advisor(s) and/or financing sources of such Qualified Bidder, may also be granted access to the materials and information described in this paragraph 25 provided that, in each case, any such advisor or financing source (i) is reasonably acceptable to the Broker and the Receiver; and (ii) has executed or is bound by an NDA, or is subject to an alternative confidentiality arrangement acceptable to the Receiver.

Final Bids from Participating Bidders

26. A Qualified Bidder that wishes to pursue a Transaction Proposal or a Development Proposal must deliver a final binding proposal (the “**Final Bid**”) containing:
 - (a) in the case of a Transaction Proposal, a duly authorized and executed transaction agreement setting out the definitive terms and conditions of the Transaction Proposal based on the Form of Transaction Agreement and accompanied by a mark-up of the Form of Transaction Agreement showing amendments and modifications made thereto, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified Bidder with all exhibits and schedules thereto; or
 - (b) in the case of a Development Proposal, a duly authorized and executed transaction agreement setting out the definitive terms and conditions of the Development Proposal, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified Bidder with all exhibits and schedules thereto,

by no later than 5:00 pm (Toronto time) on September 24, 2024 (the “**Phase 2 Bid Deadline**”), to the Receiver at sferguson@alvarezandmarsal.com and jnevsky@alvarezandmarsal.com, and to the Broker at Matt.Picken@jll.com.

Qualified Bids

27. A Final Bid will be considered a qualified Final Bid (a “**Qualified Bid**”) only if it is received by the Phase 2 Bid Deadline and complies with, among other things, the following requirements (the “**Qualified Bid Requirements**”):
- (a) it includes a letter stating that the Qualified Bidder’s offer is irrevocable until the earlier of (i) the approval by the Court of a Successful Bid; and (ii) 60 days following the Phase 2 Bid Deadline, provided that if such Qualified Bidder is selected as the Successful Bidder, its offer will remain irrevocable until the closing of the transaction with such Successful Bidder;
 - (b) it includes the amount to be paid, invested or financed, as applicable, and written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow the Receiver, in consultation with the Broker and the Senior Secured Lenders, to make a reasonable determination as to the Participating Bidder’s financial and other capabilities to consummate the transaction contemplated by its Final Bid;
 - (c) in respect of a Transaction Proposal:
 - (i) it sets out: (i) the purchase price or investment amount; and (ii) full details regarding the Property to be included and any Property to be excluded from the bid; and
 - (ii) the purchase price or investment amount is equal to or exceeds the Minimum Bid Threshold (or, in the case of a Transaction Proposal for the Residential Component or the Commercial Component only, the purchase price or investment amount would, if combined with a Transaction Proposal for the other component(s) of the Project, equal or exceed the Minimum Bid Threshold); and
 - (iii) it includes details of any liabilities to be assumed by the Qualified Bidder;
 - (d) in respect of a Development Proposal:
 - (i) it sets out, as applicable: (i) any proposed investment in the Project; (ii) the specific terms of any proposed ongoing financing, including the interest rate, term, debt service or other fees, redemption, prepayment or repayment attributes and any other material attributes; and (iii) any fees, entitlements, interests or other consideration sought by the Participating Bidder in connection with the Development Proposal;
 - (ii) it includes the Participating Bidder’s final proposed Development Plan; and
 - (iii) it is acceptable to the Senior Secured Lenders in their sole and absolute discretion;

- (e) it is not conditional upon:
 - (i) approval from the Qualified Bidder's board of directors (or comparable governing body) or equity holder(s);
 - (ii) the outcome of any due diligence by the Qualified Bidder; or
 - (iii) the Qualified Bidder obtaining financing;
- (f) it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
- (g) it includes a statement that the Qualified Bidder will bear its own costs and expenses (including all legal and advisor fees) in connection with the proposed transaction, and by submitting its bid, is agreeing to refrain from and waive any assertion or request for reimbursement on any basis;
- (h) it identifies any regulatory and other approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
- (i) it identifies with particularity the purchase agreements with Unit Purchasers, leases and other contracts the bidder wishes to assume or reject, contains full details of the bidder's proposal for the treatment of such purchase agreements with Unit Purchasers, leases and other contracts; and it identifies with particularity any contract the assignment of which is a condition to closing;
- (j) it provides a timeline to closing with critical milestones, if any;
- (k) it includes evidence, in form and substance reasonably satisfactory to the Receiver, the Broker and the Senior Secured Lenders, of irrevocable authorization and approval from the Participating Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Final Bid;
- (l) it is accompanied by a deposit (the "**Deposit**") in the form and in such amount as will be determined by the Receiver in consultation with the Broker based on the forms of Qualified LOIs received and set out in the Bid Process Letter;
- (m) it includes an acknowledgment and representation that the Qualified Bidder: (i) has not engaged in any collusion with respect to the SISP and its bid is a good-faith *bona fide* offer and it intends to consummate the proposed transaction if selected as the Successful Bidder; (ii) had an opportunity to conduct any and all required due diligence prior to making its bid, and has relied solely upon its own independent review, investigation and inspection in making its bid; (iii) is not relying upon any written or oral statements, representations, promises, warranties, conditions, or guaranties whatsoever, whether express or implied (by operation of law or otherwise), made by any person or party, including the Receiver, the Broker, the

Senior Secured Lenders and their respective employees, officers, directors, agents, advisors (including lawyers) and other representatives, regarding the proposed transaction, this SISP, or any information (or the completeness of any information) provided in connection therewith, except as expressly stated in the proposed transaction documents; (iv) is making its bid on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Companies, the Receiver, the Broker or any of their respective employees, officers, directors, agents, advisors and other representatives, except to the extent set forth in the proposed transaction documents; (v) is bound by this SISP and the SISP Approval Order; and (vi) is subject to the exclusive jurisdiction of the Court with respect to any disputes or other controversies arising under or in connection with the SISP or its bid;

- (n) it contains such other information as may be reasonably requested by the Receiver, in consultation with the Broker and the Senior Secured Lenders; and
 - (o) the Receiver, following consultation with the Broker and the Senior Secured Lenders, determines that in its reasonable business judgment it is likely that the Qualified Bidder will be able to consummate the proposed transaction in a manner that complies with all requirements of the SISP.
28. The Receiver, in consultation with the Broker and the Senior Secured Lenders, may waive compliance with any one or more of the requirements specified above and deem such non-compliant Final Bids to be Qualified Bids; provided that the consent of the Senior Secured Lenders shall be required to waive the requirements set forth in subparagraphs 27(c)(ii), 27(d)(iii) and 27(l).

Evaluation and Selection of Successful Bid

29. The Receiver, in consultation with the Broker and the Senior Secured Lenders, will review each Final Bid and, if one or more Qualified Bids is received, the Receiver, exercising its reasonable business judgment and following consultation with the Broker and the Senior Secured Lenders, may:
- (a) negotiate with one or more of the bidders who submitted a Qualified Bid, including requesting that such bidder improve or otherwise modify the terms of its Qualified Bid (and any such improved or modified Qualified Bid shall be deemed a Qualified Bid for all purposes under this SISP); and
 - (b) select the Qualified Bid that it considers to be the best bid (the “**Selected Qualified Bid**”).
30. In evaluating the Qualified Bids to select the Selected Qualified Bid:
- (a) evaluation criteria with respect to a Transaction Proposal may include, but are not limited to, items such as: (i) the purchase price or proposed investment and net value of the transaction (including assumed liabilities and other obligations to be performed by the bidder) and the resulting recoveries for stakeholders; (ii) the firm,

irrevocable commitment for financing the transaction and completing construction of the Project; (iii) the counterparties to the transaction; (iv) the terms of the transaction documents; (v) other factors affecting the speed, certainty and value of the transaction; (vi) planned treatment of stakeholders in the Project, including Secured Creditors, Unit Purchasers, Suppliers, and lien claimants (if any); (vii) the Property included or excluded from the bid; (viii) any transition services required post-closing and any related restructuring costs; and (ix) the likelihood and timing of consummating the transaction; and

- (b) evaluation criteria with respect to a Development Proposal may include, but are not limited to, items such as: (i) the amount of any investment and the proposed sources and uses of such capital contemplated by the proposed transaction; (ii) the firm, irrevocable commitment for any financing contemplated by the proposed transaction and completing the construction and development of the Project; (iii) the fees, entitlements, interests or other consideration sought by the Participating Bidder in connection with the Development Proposal; (iv) the counterparties to the transaction; (v) the terms of the transaction documents; (vi) other factors affecting the speed, simplicity of execution, certainty and value of the transaction; (vii) the Development Plan; (viii) planned treatment of stakeholders in the Project, including Secured Creditors, Unit Purchasers, Suppliers, and lien claimants (if any); (ix) the likelihood and timing of consummating the transaction; and (x) the Senior Secured Lenders' evaluation of a Development Proposal.
- 31. The Receiver may, following consultation with the Broker, the Senior Secured Lenders and the relevant Participating Bidders, combine a Qualified Bid in respect of a Transaction Proposal for the Residential Component with a Qualified Bid in respect of a Transaction Proposal for the Commercial Component and designate such combined Qualified Bids as the Selected Qualified Bid, subject to the combined Qualified Bids equalling or exceeding the Minimum Bid Threshold. The Receiver may also, following consultation with the Broker and the relevant Participating Bidders, and with the consent of the Senior Secured Lenders, combine a Qualified Bid in respect of a Transaction Proposal for the Commercial Component with a Qualified Bid in respect of a Development Proposal and designate such combined Qualified Bid as the Selected Successful Bid.
 - 32. Notwithstanding any other provision hereof, no Development Proposal shall be selected as the Selected Qualified Bid without the consent of the Senior Secured Lenders.
 - 33. Once a Selected Qualified Bid has been selected, the Broker and the Receiver, in consultation with the Senior Secured Lenders and their advisors, shall negotiate and settle the terms of a definitive agreement in respect of the Selected Qualified Bid, all of which will be conditional upon Court approval at which time the Selected Qualified Bid will be the “**Successful Bid**” hereunder and the person(s) who made the Selected Qualified Bid will be the “**Successful Bidder**” hereunder.
 - 34. If the Receiver, after consultation with the Broker and the Senior Secured Lenders: (a) determines, at any point during Phase 2, that there is no reasonable prospect of obtaining a Final Bid resulting in a Qualified Bid; or (b) determines that no Qualified Bid has been

received at the end of Phase 2, then the Receiver, with the consent of the Senior Secured Lenders, may designate one or more Final Bids as Qualified Bids; failing which the Receiver may give notice of the termination of the SISP by email to the Service List and Qualified Bidders who submitted Final Bids.

Approval Motion for Successful Bid

35. The Receiver will make a motion to the Court (the “**Approval Motion**”) for an order approving the Successful Bid and authorizing the Receiver to enter into any and all necessary agreements with respect to the Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid.
36. The Approval Motion will be held on a date to be scheduled by the Court at the request of the Receiver.
37. All Qualified Bids other than the Successful Bid will be deemed rejected on the date of approval of the Successful Bid by the Court.

Other Terms

Deposits

38. Deposits will be retained by the Receiver and invested in an interest-bearing account. If there is a Successful Bid, the Deposit (plus accrued interest) paid by the Successful Bidder whose bid is approved at the Approval Motion will be applied to the purchase price to be paid or investment amount to be made by the Successful Bidder upon closing of the approved transaction and will be non-refundable. Any Deposits (plus applicable interest) of Participating Bidders not selected as the Successful Bidder will be returned to such bidders within ten (10) Business Days of the date upon which the Successful Bid is approved by the Court.

Secured Creditor Participation

39. Any Secured Creditor shall have the right to credit bid its secured debt against the assets secured thereby, including principal, interest and any other secured obligations owing to such Secured Creditor by the Companies; provided that any such Secured Creditor shall be required to pay in full in cash on the closing of any transaction any obligations in priority to its secured debt (unless the holder of such priority obligation agrees to accept a lower payment than the total amount of obligations owed to them) and the reasonable fees and expenses of the Receiver necessary to conclude the receivership proceedings.
40. If any Secured Creditor or an Affiliate thereof intends to participate as a Potential Bidder in the SISP (whether through a credit bid or otherwise), such Secured Creditor and its Affiliates shall be required to comply with all terms and conditions of the SISP, in the same manner as would any other Potential Bidder.
41. The Senior Secured Lenders have irrevocably confirmed to the Receiver that they will not be submitting a bid in the SISP; provided they reserve the right to submit a bid (including

but not limited to a credit bid) if the SISP is terminated. Accordingly, the Senior Secured Lenders shall be entitled to receive all confidential information in respect of the SISP, including copies of all LOIs, Qualified LOIs and Final Bids.

General

42. The Receiver reserves the right: (a) not to accept any Qualified Bid or to otherwise terminate the SISP; and (b) to deal with one or more bidders to the exclusion of others.
43. The Receiver shall be permitted, in its discretion, to provide general updates and summary information in respect of the SISP to any Secured Creditor of the Companies and its legal and financial advisors, if applicable, on a confidential basis, upon: (a) the irrevocable confirmation in writing from such Secured Creditor that neither it nor any Affiliate thereof will participate as a bidder in the SISP (or, if such Secured Creditor or its Affiliate has participated as a bidder in the SISP, the irrevocable confirmation in writing that it is withdrawing as a bidder in the SISP and will no longer participate as a bidder); and (b) such Secured Creditor executing a confidentiality agreement in form and substance satisfactory to the Receiver.
44. The SISP does not, and will not be interpreted to, create any contractual or other legal relationship between the Receiver, the Broker, the Senior Secured Lenders or the Companies and any Participating Bidder, other than as specifically set forth in a definitive agreement that may be signed in respect of the Project.
45. At any time during the SISP the Receiver may, upon reasonable prior notice to the Service List, apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder or to seek advice and directions with respect to the SISP and/or any proposal received pursuant to the SISP.

**SCHEDULE “A”
LEGAL DESCRIPTION¹**

PIN: 21109-0244 (LT)

Description: FIRSTLY: PT PARKLT 9 CON 1 FTB TWP OF YORK AS IN EP145729 EXCEPT THE EASEMENT THEREIN; SUBJECT TO AN EASEMENT AS IN AT5101384; SECONDLY: PT PARKLT 9 CON 1 FTB TWP OF YORK AS IN EP93304 EXCEPT THE EASEMENT THEREIN; SUBJECT TO AN EASEMENT AS IN AT5101384; THIRDLY: PT PARKLT 9 CON 1 FTB TWP OF YORK PT 1 64R16532; SUBJECT TO AN EASEMENT AS IN AT5101384; FOURTHLY: PT PARKLT 9 CON 1 FTB TWP OF YORK PT 163R658; SUBJECT TO AN EASEMENT AS IN AT5101384; FIFTHLY: PT PARKLT 9 CON 1 FTB TWP OF YORK AS IN CA703847; SUBJECT TO AN EASEMENT AS IN AT5101384; SIXTHLY: PT PARKLT 9 CON 1 FTB TWP OF YORK AS IN CT277770; SUBJECT TO AN EASEMENT AS IN AT5101384; SEVENTLY: FIRSTLY: PT PARK LT 9 CON 1 FTB TWP OF YORK, AS IN EP142034 AND SECONDLY: PT PT PARK LT 9 CON 1 FTB TWP OF YORK DESIGNATED AS PT 15 ON PL 63R-3142, SAVE AND EXCEPT PART 2 ON PLAN 66R-32221; SUBJECT TO AN EASEMENT AS IN AT5101384; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 7 AND 8 ON PLAN 66R-32221 AS IN AT6077647; SUBJECT TO AN EASEMENT OVER PARTS 4, 5 AND 6 ON PLAN 66R-32221 AS IN AT6077654; TOGETHER WITH AN EASEMENT OVER PART OF PARK LOT 9, CONCESSION 1 FROM THE BAY (YORK) DESIGNATED AS PART 2 ON PLAN 66R-32221 AS IN AT6077634; SUBJECT TO AN EASEMENT OVER PART 3 ON PLAN 66R-32221 IN FAVOUR OF PART OF PARK LOT 9, CONCESSION 1 FROM THE BAY (YORK) DESIGNATED AS PART 2 ON PLAN 66R-32221 AS IN AT6077634; SUBJECT TO AN EASEMENT AS IN AT6227322; CITY OF TORONTO

¹ On May 22, 2024, a transfer was registered to effect a severance of the Residential Component and the Commercial Component. Updated PINs and legal descriptions will be made available to Participating Bidders when available.

APPENDIX “A” DEFINED TERMS

The following capitalized terms have the following meanings when used in the SISP:

- (a) “**Affiliate**” means, in respect of any Person (in this definition, such Person being referred to as the “**Subject Person**”), (i) any other Person, directly or indirectly, Controlling, Controlled by, or under direct or indirect common Control with, the Subject Person; or (ii) any other Person under the direct or indirect Control of the same Person, or group of Persons, as Control the Subject Person, including by virtue of such “Controlling” Person having substantially the same ownership over the Subject Person and such other Person.
- (b) “**Approval Motion**” is defined in paragraph 35.
- (c) “**Bidder List**” is defined in paragraph 8(a).
- (d) “**Brochure**” is defined in paragraph 8(b).
- (e) “**Broker**” is defined in the Introduction.
- (f) “**Business Day**” means each day other than a Saturday or Sunday or a statutory or civic holiday that banks are open for business in Toronto, Ontario.
- (g) “**CIM**” is defined in paragraph 8(c).
- (h) “**Commercial Component**” means that part of the Project comprised of the underground parking space, the concourse and ground floor retail space, the space on level three (3) of the Project currently designed for a restaurant, and the spaces on levels five (5) and seven (7) through sixteen (16) of the Project currently designed for a hotel.
- (i) “**Companies**” is defined in the Introduction.
- (j) “**Control**” or “**control**” means, for the purpose of the definition of Affiliate, that in order to control a Person (in this definition, such Person being referred to as the “**Subject Person**”), another Person must have the power to control and direct the management and/or policies of the Subject Person, directly or indirectly, whether through the ownership or control of voting securities, voting rights, family relationship, contract or otherwise and a Person who controls a Subject Person is deemed to control any Person which is controlled, or deemed to be controlled, by the Subject Person, and the words “Controlled”, “controlled”, “Controlling” and “controlling” have corresponding meanings.
- (k) “**Court**” means the Ontario Superior Court of Justice (Commercial List).
- (l) “**Deposit**” is defined in paragraph 27(l).

- (m) **“Development Plan”** is defined in paragraph 18(e)(ii)(D).
- (n) **“Development Proposal”** is defined in paragraph 2(b).
- (o) **“Final Bid”** is defined in paragraph 26.
- (p) **“Form of Transaction Agreement”** means the form of transaction agreement to be developed by the Receiver in consultation with the Broker, in form and substance satisfactory to the Senior Secured Lenders and, in accordance with paragraph 26, provided to Qualified Bidders.
- (q) **“LOIs”** is defined in paragraph 10.
- (r) **“Minimum Bid Threshold”** is defined in paragraph 2(a).
- (s) **“NDA”** is defined in paragraph 8(b).
- (t) **“Opportunities”** and **“Opportunity”** are defined in paragraph 2.
- (u) **“Participating Bidder”** is defined in paragraph 11.
- (v) **“Phase 1”** is defined in the Introduction.
- (w) **“Phase 1 Assessment Date”** is defined in paragraph 20.
- (x) **“Phase 1 Bid Deadline”** is defined in paragraph 17.
- (y) **“Phase 2”** is defined in the Introduction.
- (z) **“Phase 2 Bid Deadline”** is defined in paragraph 26.
- (aa) **“Potential Bidder”** is defined in paragraph 9.
- (bb) **“Project”** is defined in the Introduction.
- (cc) **“Property”** is defined in the Introduction.
- (dd) **“Qualified Bid”** is defined in paragraph 27.
- (ee) **“Qualified Bid Requirements”** is defined in paragraph 27.
- (ff) **“Qualified LOI”** is defined in paragraph 18.
- (gg) **“Receiver”** is defined in the Introduction.
- (hh) **“Receivership Order”** is defined in the Introduction.
- (ii) **“Residential Component”** means that part of the Project comprised of the residential suites occupying levels seventeen (17) through eighty-four (84) of the

Project, including a Wintergarden common amenity on level eighty-five (85) of the Project.

- (jj) “**Secured Creditors**” means (i) the Senior Secured Lenders; (ii) Aviva Insurance Company of Canada; (iii) NongHyup Bank, in its capacity as trustee of Hana Private Real Estate Investment Trust No. 137; (iv) Coco International Inc.; and (v) CERIECO Canada Corp.
- (kk) “**Selected Qualified Bid**” is defined in paragraph 29.
- (ll) “**Senior Secured Lenders**” means, collectively, KEB Hana Bank as trustee of each of IGIS Global Private Placement Real Estate Fund No. 301, IGIS Global Private Placement Real Estate Fund No. 434, and IGIS Global Private Placement Real Estate Fund No. 530.
- (mm) “**Service List**” means the service list for the receivership proceedings, as maintained by the Receiver, and available on the Receiver’s Website.
- (nn) “**SISP**” is defined in the Introduction.
- (oo) “**Successful Bid**” is defined in paragraph 31.
- (pp) “**Successful Bidder**” is defined in paragraph 31.
- (qq) “**Transaction Proposal**” is defined in paragraph 2(a).
- (rr) “**Unit Purchasers**” means any parties who have signed agreements of purchase and sale for the purchase of condominium units in the Project.