

BID PROCEDURES

Set forth below are the proposed bid procedures (the “**Bid Procedures**”) to be employed with respect to the sale of the assets, properties and undertaking of Settlers Ghost Golf Club Limited Partnership and FSP Holdings Inc. (“**Settlers**”) (the “**Purchased Assets**”). Such Purchased Assets are located at the Settlers’ premises, 3421 McNutt Road, RR#1, Barrie, Ontario, L4M 4Y8 and include the real estate at the same municipal address, in Oro-Medonte Township, which includes an 18 hole par 72 golf course and related ancillary structures.

The Purchased Assets being purchased and the terms and conditions upon which Ira Smith Trustee & Receiver Inc. (“**Smith**” and/or “**Receiver**”) contemplate consummating a sale as further described in the form of the Stalking Horse Agreement (the “**APA**”).

The Receiver will seek approval of the Ontario Superior Court of Justice Commercial List (the “**Court**”) of the APA with Pace Credit Union (the “**Stalking Horse Bidder**”) and the Bid Procedures set out herein (the “**Stalking Horse and Bid Procedures Orders**”).

Marketing Process and Identifying Potential Bidders

1. Upon Court approval and issuance of the Stalking Horse and Bid Procedures Orders, the Receiver will immediately commence the following marketing process:
 - (a) advertisement(s) will be placed in the national edition of the Globe and Mail newspaper as soon as practical following Court approval of the Sale Process;
 - (b) the advertisement will be communicated to a list of potential buyers identified by the Receiver for the current opportunity to acquire the assets introduced;
 - (c) notice(s) will be placed on the website of the Receiver.

Due Diligence

2. A confidential information memorandum (“**CIM**”) will be prepared and will be provided to all interested parties that sign a confidentiality agreement and who the Receiver determines is likely, based on financial information submitted by the bidder, the availability of financing and other considerations deemed relevant by the Receiver, to be able to consummate a sale if selected as the Successful Bidder, as defined below (a “**Potential Bidder**”);
3. A Potential Bidder will be provided access to a data room containing detailed information regarding the assets to enable them to perform their due diligence.
4. A Potential Bidder will be provided access to management, facilitated by the Receiver, to supplement their due diligence procedures, as necessary.

5. Potential Bidders are cautioned not to rely upon any documentation or information provided by or on behalf of the Receiver. Any such documentation or other material provided with respect to the Assets was prepared solely for the convenience of Potential Bidders and is not warranted to be complete or accurate, has not been independently verified, and is not part of these Bid Procedures or the APA. Each Potential Bidder shall be deemed to have relied entirely on its own inspection and investigation in submitting its offer. Potential Bidders are required to obtain such third party consents as they consider necessary. Potential Bidders are to make such independent enquiries, as they deem necessary, concerning all Assets prior to submitting their Offer.

Bid Deadline

6. A Potential Bidder that desires to make a bid (a “**Bidder**”) shall deliver its bid to the Receiver not later than noon (Eastern Time) on June 8, 2016 (the “**Bid Deadline**”).

Bid Requirements

7. All bids must include:
 - (a) An offer to pay a cash purchase price greater than the aggregate consideration offered by the Stalking Horse Bidder pursuant to the APA;
 - (b) An executed copy of a purchase agreement in the form of the APA, together with a blackline copy of the APA reflecting any changes made to the APA, shall be submitted to the Receiver and shall be binding and irrevocable until either (i) such time as the Receiver rejects a Bidder’s Bid in accordance with paragraph 13 herein; (ii) at the conclusion of the Auction, if held, each respective Qualified Bidder does not become the Successful Bidder; or (iii) if the Court does not approve the Successful Bidder’s Accepted Bid;
 - (c) A certified cheque, bank draft or wire transfer drawn on a Canadian Schedule “1” Chartered Bank (an “**Acceptable Institution**”) or by bankers draft from an Acceptable Institution in the amount of \$300,000 payable to the Receiver in trust. This amount will either (i) be applied to satisfy the purchase price of a Successful Bidder, the balance of which purchase price shall be due on closing; (ii) be returned to the Bidder if its bid is not successful at the Auction (subject to the other provisions of these Bid Procedures) or approved by the Court, or (iii) be forfeited to the Receiver in the event that the Successful Bidder breaches its obligations pursuant to the APA or an Accepted Bid (as defined herein);

- (d) A representation of the Bidder and written evidence of available cash and/or a commitment for financing to evidence the Bidder's ability to consummate the proposed transaction as the Receiver may reasonably request;
- (e) A copy of a resolution or similar document demonstrating authority to make an irrevocable bid, and to execute the transaction contemplated by the offering bid for the Purchased Assets;
- (f) A disclosure of the identity of each entity that will be bidding for the Purchased Assets or otherwise participating with such bid and the complete terms of any such participation;
- (g) A disclosure of the identity of each of the Officers and Directors or Partners, as the case may be, of each entity bidding for the Purchased Assets or otherwise participating with such bid;
- (h) An acknowledgement by such Bidder that if its bid becomes a Qualified Bid and the bidder becomes a Qualified Bidder (as such terms are hereinafter defined) that the such Qualified Bidder's continued participation in this Sales Process is on a non-exclusive basis;
- (i) A description of the Bidder's current operations, including an indication of similarities between its current operations and that of Settlers'; and
- (j) A representation as to the Bidder's plans to either engage current management or provide its own management team if the bid is accepted.

Qualified Bids

- 8. A bid received from a Bidder that meets the above requirements will be considered a "Qualified Bid" and each Bidder that submits a Qualified Bid will be considered a "Qualified Bidder".
- 9. The APA shall be deemed to be a Qualified Bid and the Stalking Horse Bidder shall be deemed to be a Qualified Bidder for all purposes and requirements pursuant to the Sale Procedures, notwithstanding the requirements that other potential Bidders must satisfy to be considered a Qualified Bidder.
- 10. Qualified Bids will be valued and assessed by the Receiver in its sole commercial discretion based upon any and all factors that the Receiver may deem pertinent.
- 11. The Receiver, in its business judgement, reserves the right to reject any bid if such bid:
 - a) is on terms that are more burdensome or conditional than the terms of the APA;

- b) requires any indemnification of such Bidder;
 - c) excludes assets or contracts or leases of Settlers’;
 - d) is not received by the Bid Deadline;
 - e) includes non-cash consideration;
 - f) is subject to any due diligence, financing condition or other contingencies (including representations, warranties, covenants, and timing requirements) of any kind or any other conditions precedent on such party’s obligation to acquire the Purchased Assets other than as may be specifically included in the APA; or
 - g) includes any other considerations that the Receiver may deem relevant to the bid.
12. Any bid rejected pursuant to Paragraph 11 above, shall not be deemed to be a Qualified Bid.
 13. The Receiver will advise all Bidders by email or by other written communication whether or not they are a Qualified Bidder within two (2) business days after the Bid Deadline or such further period of time as the Receiver may determine in its sole discretion and not less than 48 hours before the start of the Auction, if any (the “Notification Date”).
 14. The Auction will be held no later than seven (7) days after the Notification Date.

The Auction and Auction Procedures

15. If the Receiver determines that it has received more than one Qualified Bid (in addition to the APA), it will invite Qualified Bidders to participate in an Auction, as described in more detail below (the “**Auction**”). If the Receiver does not receive any Qualified Bids other than the APA, it will not hold an Auction, in which case the APA will be deemed the Successful Bid (as this term is defined below) and the Stalking Horse Bidder will be named the Successful Bidder (as this term is defined below).
16. At least two business days prior to the Auction, each Qualified Bidder must inform the Receiver in writing whether it intends to participate in the Auction.
17. The Receiver will promptly thereafter inform, in writing, each Qualified Bidder who has expressed its intent to participate in the Auction of the identity of all other Qualified Bidders that have expressed their intention to participate in the Auction and will provide copies of all other Qualified Bids to such Qualified Bidders.

18. Only the authorized representatives, professionals or agents of the Stalking Horse Bidder and each other Qualified Bidder identified in advance to the Receiver, shall be eligible to participate at the Auction.
19. The Auction, if any, shall be conducted by the Receiver, commencing on June 15, 2016 at 10:00 a.m. (Eastern Time) at the offices of DLA Piper (Canada) LLP, Suite 6000, 100 King St W, Toronto, Ontario.
20. At the Auction, the bidding will start at the aggregate consideration for the Purchased Assets and terms proposed in the offer that the Receiver selects as the highest and best offer prior to the Auction and will continue in cash increments of at least \$250,000.
21. The Receiver, in its sole discretion, may adjourn the Auction at any time to permit the Qualified Bidders and the Stalking Horse Bidder, the opportunity to consider improved bids.
22. During the Auction, Qualified Bidders and the Stalking Horse Bidder may submit revised bids that otherwise comply with the rules of this bidding and Auction process (a “**Revised Bid**”).
23. If no Qualified Bidder submits a Revised Bid after a period of 15 minutes following the Receiver’s acceptance of a Revised Bid and the Receiver in its sole discretion chooses not to adjourn the Auction further, the Auction will be concluded whereupon the Receiver shall enter into a binding agreement of purchase and sale with the Qualified Bidder or the Stalking Horse Bidder (the “**Accepted Bid**”) that submitted the leading bid as determined by the Receiver in its sole discretion (the “**Successful Bidder**”). The bid process shall end at the conclusion of the Auction.

The Successful Bidder

24. The Successful Bidder agrees to do all such things as may be required by the Receiver to obtain Court approval of the Accepted Bid.
25. If the Successful Bidder fails to consummate the transaction within 10 days after Court approval (or such date that may otherwise be mutually agreed upon), the Receiver shall be authorized but not required to deem that the Successful Bidder has breached its obligations pursuant to the Accepted Bid, has forfeited its deposit to the Receiver, and the Company and the Receiver are authorized to seek an alternative bidder for the Purchased Assets.
26. Potential Bidders, Bidders and/or Qualified Bidders shall not be allowed any breakup, termination or similar fee. For greater certainty, Potential Bidders, Bidders and/or Qualified Bidders/Successful Bidder shall be responsible for all of their own professional and other fees and costs relating to their investigation or closing of any transaction in this regard.

27. The Receiver shall have the right to adopt and implement such other rules for the Auction as may be necessary to promote the goals of this bid process generally.
28. The highest or any offer will not necessarily be accepted.

Court Approval

29. The sale of Purchased Assets is subject to an approval and vesting Order being issued by the Court.
30. In the case of an Agreement for the Receiver's interest in any lease of equipment, the Receiver shall assign (without covenants) all of its right, title and interest, if any, in such lease to the Purchaser on closing. The Receiver agrees to use all commercially reasonable efforts to obtain the requisite consent of the landlord or lessor, as the case may be, and/or the approval of the Court, to such assignment (if required by the lease) but in so doing shall not be required to incur any expense or liability (except as the Receiver in its absolute discretion may see fit).
31. Pursuant to the Stalking Horse and Bid Procedures Order, the Receiver shall report to the Court and provide its recommendations to the Court regarding the sale of the Purchased Assets no later than June 24, 2016, or as soon thereafter as the Court may allow.
32. The Receiver shall not be required to pay, and shall not pay, any commission or finder's fee with respect to any sale pursuant hereto.

"As is, where is"

33. The Purchased Assets are being sold on an "as is, where is" basis and no warranty, condition or representation, whether statutory, express or implied is being given by the Receiver as to the description, condition, state, cost, size, quality, fitness for purpose, merchantability, or in respect to any other matter or thing whatsoever concerning the Purchased Assets other than as set out herein. The Purchaser is deemed to have satisfied itself with regard to all of the foregoing and any matter or thing whatsoever in respect of the Purchased Assets.

Miscellaneous

34. The Purchased Assets shall be and remain at the risk of the Receiver as its interest may appear until closing. From and after closing, the Purchased Assets shall be at the Purchaser's risk. Pending closing, the Receiver shall hold any insurance policies or proceeds thereof in trust for itself, the Purchaser and others as their respective interests may appear. In the event of substantial damage to or loss prior to closing of the Purchased

Assets which are insured, the Purchaser may elect by notice in writing, 15 days after receiving notice from the Receiver, of such damage or loss, either to close the Agreement and receive the remaining Purchased Assets and the proceeds of the insurance, or may rescind the Agreement, have all moneys theretofore paid returned without interest, costs, deduction or compensation, but shall have no further or other right to damages, costs, specific performance or any other remedy.

35. The Purchaser shall pay on closing, in addition to the purchase price, all applicable federal, provincial and municipal taxes in connection with the sale, including, without limitation, land transfer tax.
36. The Purchaser shall, at its own cost and expense, be responsible for compliance with all municipal, provincial and federal laws insofar as they apply to the Purchased Assets and the use thereof by the Purchaser from and after closing.
37. All stipulations as to time are strictly of the essence.
38. Any tender of documents or money hereunder may be made upon the Receiver or its solicitor. Money may only be tendered by certified cheque, bank draft or wire transfer drawn on an Acceptable Institution.
39. The obligations of the Receiver to complete the Agreement shall be relieved if, on or before the closing of such sale, any asset which is the subject of the sale has been removed from the control of the Receiver by any means or process, or any such asset is redeemed, or if the completion of the sale is restrained or prohibited by an injunction or other order issued by a court of competent jurisdiction, whereupon the only obligation of the Receiver shall be to return the applicable deposit, without interest, deduction, costs or compensation.

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[SUMMARY TIMELINE OF IMPORTANT DATES]

Sales Procedure	Date
Court approval of Sales Process and Stalking Horse Bid	April 29, 2016
Potential bidders notified; release of Globe and Mail advertisement	May 4, 2016
Confidential Information Memorandum to parties who execute CA	May 6, 2016
Data room access and commencement of site tours granted to parties who execute CA	May 11, 2016
Bids due	June 8, 2016
Notification sent to Bidders	June 10, 2016
Indication of intent to participate in the Auction by Qualified Bidders and identification of all representatives	June 13, 2016
Auction	June 15, 2016
Court motion to approval Successful Bid	June 24, 2016
Transaction close	July 5, 2016