

Fan Integrated Experiences Ltd. – Bidding Procedures

On May 1, 2020, Fan Integrated Experiences Ltd. (“**FIE**”) filed an assignment in bankruptcy and Dodick Landau Inc. was appointed as the Bankruptcy Trustee (the “**Trustee**”) over the assets and undertakings of FIE.

Set forth below are the bidding procedures (the “**Bidding Procedures**”) to be employed with respect to the sale process (the “**Sale Process**”) to purchase the Trustee’s right, title and interest, if any, in and to the assets (the “**Assets**”) of FIE.

Assets To Be Sold

The Trustee is offering for sale all of the company’s right, title and interest, if any, in and to all of the Assets and is encouraging bids for all the Assets, in whole and not in part.

The Bidding Process

The Trustee shall undertake the following:

- a) approach potential purchasers for the purpose of marketing the Assets and provide them with a notice of sale document in the form of a teaser;
 - b) prepare a confidential information memorandum (“**CIM**”) to be distributed to prospective purchasers who execute a confidentiality agreement (in a form satisfactory to the Trustee);
 - c) determine whether any person is a Qualified Bidder (as defined below);
 - d) coordinate the efforts of Qualified Bidders in conducting their reasonable due diligence investigations;
 - e) receive offers from Qualified Bidders by July 31, 2020 at 12:00P.M. (E.S.T.);
and
 - f) negotiate any offers made to purchase the Assets
- (collectively, the “**Bidding Process**”).

The Trustee shall have the right to adopt such other rules for the Bidding Process (including rules that may depart from those set forth herein) that will better promote the goals of the Bidding Process, provided, however, that such other rules are not inconsistent with the Bid Deposit Requirement (as defined below).

Participation Requirements

A “**Qualified Bidder**” is a potential bidder that the Trustee determines, acting reasonably, is likely (based on the experience of, and considerations determined to be relevant by the Trustee such as the reputation of the bidder, financial information submitted by the bidder, etc.) to be able to consummate a sale if selected as the Successful Bidder (as defined below).

Due Diligence

Any Person that wishes to participate in the Bidding Process must: (i) execute a Confidentiality Agreement (the “**Confidentiality Agreement**”) attached as **Appendix “A”**; and (ii) be a Qualified Bidder. Qualified Bidders who have executed the Confidentiality Agreement will be able to conduct due diligence.

The Trustee shall determine, in its sole discretion, which Qualified Bidders shall be afforded with access to additional confidential information to complete their reasonable due diligence.

The Trustee shall not be obligated to furnish information of any kind whatsoever to any Person that the Trustee determines not to be a Qualified Bidder. The Trustee will afford any Qualified Bidder the time and opportunity to conduct reasonable due diligence subject to the time frames contemplated by these Bidding Procedures. The Trustee will designate a representative to coordinate all reasonable requests for additional information and due diligence access from such Qualified Bidders.

Bid Requirements

All bids are required to include (unless such requirement is waived by the Trustee) (the **“Required Bid Materials”**):

1. A letter stating that the bidder’s offer is irrevocable until the first business day after the Assets have been sold pursuant to the closing of the sale, or sales thereof, approved by the Court;
2. An executed copy of a proposed purchase agreement and a red line of the Qualified Bidder’s proposed purchase agreement reflecting variations from the Asset Purchase Agreement (the **“Marked Agreement”**). All Qualified bids must provide: (a) a commitment to close within two (2) business days after satisfaction of all conditions and a covenant to use commercial best efforts to satisfy all conditions; and (b) the identity of and contact information for the bidder and full disclosure of any affiliates and any debt or equity financing sources involved in such bid;
3. A cash deposit in the amount of 15% of the total purchase price in the form of a wire transfer, certified cheque or such other form acceptable to the Trustee (the **“Bid Deposit”**), which shall be placed in an escrow account (the **“Escrow Account”**). The Escrow Account shall not be subject to any Liens whatsoever of FIE’ creditors or otherwise, and funds shall be disbursed from the Escrow Account only as follows: (i) if the Qualified Bidder is the Successful Bidder, its Bid Deposit will be applied to the purchase price payable by it under its bid on the closing thereof; and (ii) if the Qualified Bidder is not the successful Bidder, then its Bid Deposit shall be returned to it (subject to the other provisions of these Bidding Procedures and the terms of its purchase agreement);
4. A representation by the bidder and written evidence that the bidder has a commitment for financing or other evidence of the proposed purchaser’s ability to

consummate the proposed transaction, including executed copies of any financing agreements, commitments, guarantees of the payment obligations of the proposed purchaser, and which the Trustee believes to be sufficient to satisfy the bidder's obligations under its proposed bid, including to consummate the transaction contemplated by the proposed purchase agreement submitted by it as provided above;

5. The bid shall not request or entitle the bidder to any transaction or break-up fee, expense reimbursement, termination or similar type of fee or payment and shall include an acknowledgement and representation of the bidder that it has had an opportunity to conduct any and all due diligence regarding the Assets prior to making its offer, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express or implied, statutory or otherwise, regarding the Assets, the financial performance of the Assets or the physical condition of the Assets, or the completeness of any information provided in connection with these Bidding Procedures or the Asset Purchase Agreement;
6. The bid shall not contain any due diligence, financing or regulatory conditions of any kind other than those contained in the Asset Purchase Agreement, though the bid may be subject to the satisfaction of other specific conditions in all material respects at closing;
7. The bid shall fully disclose the identity of each entity that will be bidding for the Assets or otherwise participating in connection with such bid, and the complete terms of any such participation;
8. The bid shall state that the offering party consents to the jurisdiction of the Court;

9. The bid shall include evidence of authorization, or approval from the bidder's board of directors (or comparable governing body), with respect to the submission, execution, delivery and closing of the proposed Purchase Agreement of the bidder;
10. The bid shall state that the offering party has not acted, and will not act, in collusion with any other person in connection with its bid; and
11. The bid shall identify any liabilities being assumed.

A bid received from a Qualified Bidder that includes all of the Required Bid Materials and is received by the Bid Deadline is a **“Qualified Bid”**.

“As Is, Where Is, With All Faults”

The sale of the Assets shall be on an “as is”, “where is” and “with all faults” basis and without representations, warranties, or guarantees, express, implied or statutory, written or oral, of any kind, nature, or description by the Trustee or its respective agents, representatives or estates, or any of the other parties participating in the sales process pursuant to these Bid Procedures, except as may otherwise be provided in a definitive Purchase Agreement with the Trustee. By submitting a bid, each Qualified Bidder shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Assets prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Assets, the financial performance of the Assets or the physical condition, existence or location of the Assets, or the completeness of any information provided in connection therewith, except as expressly stated in these Bidding Procedures or as set forth in a definitive Purchase Agreement. This section shall not merge on closing and is deemed incorporated by reference in all closing documents and deliveries.

Free of Any and All Liens

Except as otherwise provided in the Successful Bidders' Purchase Agreement, and subject to any Permitted Liens which may be defined in the Approval and Vesting Order, all of the Trustee's right, title and interest in and to the Assets subject thereto shall be sold free and clear of all Liens pursuant to the terms of an Approval and Vesting Order, in the form of Commercial List Model Approval and Vesting Order.

Successful Bidder

If Qualified Bidders submit Qualified Bids, then the Trustee shall: (i) promptly following the Bid Deadline, review each Qualified Bid on the basis of the financial and contractual terms and the factors relevant to the Sale Process, including those factors affecting the speed and certainty of consummating the Sale Process; and (ii) identify the best offer for the Assets ("**Successful Bid**") and the bidder or bidders making such bid (**the "Successful Bidder"**).

At the hearing on the Sale Approval Motion, if required, the Trustee will present the Successful Bid to the Court for approval. The Trustee reserves all rights not to submit any bid which is not acceptable to the Trustee for approval by the Court

Acceptance of Qualified Bids

The sale of the Assets to any Successful Bidder by the Trustee is expressly conditional upon the approval of the Successful Bid by the Court at the hearing of the Sale Approval Motion, if required. The Trustee's presentation of any Qualified Bid to the Court for approval does not obligate the Trustee to close the transaction contemplated by such Qualified Bid until the Court approves the Bid. The Trustee will be deemed to have accepted a bid only when the bid has been approved by the Court at the hearing on the Sale Approval Motion.

Sale Approval Motion Hearing

The Sale Approval Motion, if required, shall be made returnable on or about August 21, 2020, subject to the Court's availability, and will be heard by the Court via a virtual hearing. The Trustee, in the exercise of its business judgment, reserves its right to change the date of the hearing of the Sale Approval Motion, if required, in order to achieve the maximum value for the Assets.

At the hearing of the Sale Approval Motion, if required, the Trustee shall seek approval from the Court to consummate the Successful Bid, and at the Trustee's election, to consummate the next best Qualified Bid (the "**Back-Up Bid**"), and the party submitting the Back-Up Bid should the Successful Bid not be closed in accordance with its terms for any reason.

If the Successful Bidder fails to consummate an approved Sale Process within seven (7) business days after satisfaction of all conditions thereof, the Trustee may, but shall not be required to, consummate the Back-Up Bid, but without the requirement of any further approval thereof by the Court. The Back-Up Bid shall remain open until the first business day following the consummation of a Sale of the Assets to the Successful Bidder.

Modifications

The Trustee, acting reasonably, may: (i) determine which Qualified Bid, if any, is the best offer; and (ii) reject at any time before the issuance and entry of an Approval and Vesting Order approving a Qualified Bid, any bid that is: (a) inadequate or insufficient; (b) not in conformity with the requirements of the Bidding Procedures, or the terms and conditions of sale; or (c) contrary to the best interests of the Trustee, FIE' estate or its creditors.

Miscellaneous

The Bidding Procedures are solely for the benefit of the Trustee and nothing contained in these Bidding Procedures shall create any rights in any other person or bidder (including without limitation rights as third party beneficiaries or otherwise).