**OWEN SOUND GOLF AND COUNTRY CLUB, LIMITED AND**

**KENNETH W. ROWE LIMITED, IN RECEIVERSHIP**

**TERMS AND CONDITIONS OF SALE**

1. The Receiver offers for sale the Assets of OSGCC, either en bloc or on a piecemeal/by parcel basis. This sale process should NOT be construed as a “Sale by Tender”. A description of the Assets is included in the CIM.
2. Any information prepared or made available by the Receiver in connection with the invitation for offers to purchase the Assets does not form part of these Terms and Conditions of Sale and has been prepared and provided solely for the convenience of the prospective purchasers (the “Bidders”). The Receiver makes no representations or warranties that such information is complete or accurate and any and all representations and warranties, express or implied, are hereby disclaimed.
3. All Offers to Purchase (“Offer”) shall be addressed to “BDO Canada Limited, Receiver of OSGCC, Suite 200, 1717 Second Avenue East, Owen Sound, Ontario N4K 5W9, Attention: “**William Courage**”, and delivered or couriered so as to be received by the Receiver **no later than 2:00 p.m. Eastern Standard Time on Friday September 2, 2011** (the “Deadline”). All offers will be considered on an individual basis, as and when received. Accordingly, the Receiver may in its sole discretion choose to accept an offer either prior to or after the Deadline.
4. Each Offer must be accompanied by a certified cheque or bank draft in Canadian funds drawn on a chartered bank of Canada or a trust company incorporated under the laws of Canada or one of the provinces thereof, payable to “BDO Canada Limited, in Trust”, in an amount equal to ten percent (10%) of the total purchase price, said amount to be held as a deposit by the Receiver in accordance with the terms hereof. Unsuccessful Bidders will have their deposits returned forthwith, without interest.
5. If an Offer is accepted by the Receiver, the certified cheque or bank draft accompanying such Offer shall be deposited into an interest bearing account, and, subject to the terms hereof, no interest shall accrue to the credit of the successful purchaser. The certified cheque or bank draft shall be deemed to be a cash deposit (the “Deposit”) to be applied against the purchase price payable to the Receiver on the closing of the transaction of purchase and sale.
6. The purchaser shall be allowed fifteen (15) days, or such longer period as may be agreed between the Receiver and the Bidder, after notice of acceptance to examine the title to the land forming part of the Assets at its own expense. Any valid objections to title thereof shall be made in writing to the solicitors for the Receiver at the address set out below. If no valid objection is made in that time to the solicitor, then title shall be deemed to have been accepted. If any valid objection is made in writing within that time, BDO shall have a reasonable time to rectify and answer same. BDO shall assist the Bidder to the extent possible in the obtaining any necessary documents, licenses or transfers necessary for closing. If BDO is unable or unwilling to rectify or answer any valid objection which the Bidder shall not waive, BDO shall be at liberty to rescind the Agreement notwithstanding any intermediate negotiations with respect to such objection, or any attempt to remove or comply with same, by notice in writing served upon the purchaser or its solicitor. In that case, the Bidder shall be entitled only to the return of the deposit money without interest, costs or compensation.
7. The acceptance of an Offer shall be subject to the approval of the Court and the granting by the Court of a Vesting Order.
8. Closing shall take place within 5 business days from the approval of the Court, (the “Closing Date”), at the offices of the Receiver or its counsel. The balance of the purchase price for the Assets shall be paid (after crediting the Deposit) by certified cheque, bank draft or wire transfer on the Closing Date.
9. The highest or any Offer will not necessarily be accepted and the Receiver reserves the right to reject any or all Offers without explanation. Upon delivering its Offer to the Receiver, no Bidder shall be allowed to retract, withdraw, vary or countermand its Offer. If any Bidder attempts to retract, withdraw, vary or countermand its offer prior to the acceptance by the Receiver of any Offer, the Receiver shall be entitled to immediately cash the certified cheque or bank draft which accompanied such an Offer and the proceeds of such certified cheque or bank draft shall be forfeited by the Bidder to the Receiver.
10. If any Offer is accepted by the Receiver, then such acceptance shall be communicated to the purchaser personally or by notice in writing, delivered by prepaid mail, courier or facsimile, by the Receiver to the purchaser at the address or facsimile number set forth in its Offer to Purchase.
11. Bidders may view the Assets by appointment with the Receiver.
12. Offers shall be made and accepted on the basis that the Bidder has inspected the Assets described herein and has relied entirely upon its own inspection and investigation of the Assets and title to same and has agreed to purchase the Assets and take possession thereof on an “as is, where is” basis without any representation, warranty or condition, whether statutory, express, implied, oral, written, legal, equitable, conventional, collateral or otherwise, all of which are expressly excluded, except as expressly contained in these Terms and Conditions of Sale. The Assets are being purchased as they exist on the Closing Date at the Companies’ premises or elsewhere and no adjustments will be allowed for any change in condition, value, or quality of the Assets. The CIM is prepared solely for the convenience of the Bidders to assist them in the inspection and evaluation of the Assets, and is not warranted to be complete or accurate as to description, quantity, or otherwise; and is not part of these Terms and Condition of Sale.
13. The purchase price set out in any Offer shall be exclusive of all applicable taxes, charges, liens, duties and other levies imposed by any authority in connection with the sale or use thereof. All such taxes, charges, liens, duties and other levies shall be paid or otherwise satisfied by the purchaser on terms acceptable to the Receiver in the Receiver’s sole discretion, on or before closing.
14. The purchaser shall not be entitled to possession of the Assets until the purchase price, applicable taxes and all other payments to be made by the purchaser have been paid in full.
15. The Receiver shall not be required to pay any commission, finder’s fee or the like, with respect to a sale made pursuant to these Terms and Conditions of Sale.
16. If the purchaser fails to comply with the conditions contained herein or any of them, the Deposit and all other payments, if any, made by the purchaser, shall be forfeited to the Receiver on account of damages, and the Assets may be resold by the Receiver and the deficiency, if any, of such resale, together with all charges attending the same or occasioned by the defaulting purchaser shall be paid to the Receiver by the defaulting purchaser.
17. The validity and interpretation of these Terms and Conditions of Sale and of each provision and part thereof, shall be governed by the laws of Ontario and the laws of Canada applicable therein, and shall enure to the benefit of and be binding upon the parties thereto and their respective heirs, executors, administrators, successors and assigns.
18. All stipulations as to time are strictly of the essence.
19. The Receiver may, at its sole discretion, waive or alter any or all of the conditions in these Terms and Conditions of Sale, any such waiver to be in writing. All conditions contained herein are for the exclusive benefit of the Receiver.
20. It is understood and agreed that in inviting Offers for the Assets, the Receiver is acting solely in its capacity as Receiver of the Companies, and neither the Receiver, nor its agents, officers, nor employees, shall have any personal liability under or as a result of the sale herein, or under these Terms and Conditions of Sale. The Bidder further acknowledges that if the agreement of purchase and sale is rescinded, terminated, delayed or enjoined for any reason whatsoever, the Receiver shall not be liable for any losses, expenses or damages suffered by the Bidder.
21. These Terms and Conditions of Sale are for guidance only and do not form any part of the definitive Agreement of Purchase and Sale as executed by the parties and the schedules thereto which shall constitute the entire agreement between the Receiver and the Bidder and there are no representations, warranties or collateral agreements except as expressed therein.
22. The Receiver’s obligation to complete the transaction of purchase and sale contemplated herein shall be relieved if, on or before the Closing Date, the Assets or any part thereof have been redeemed or removed from the Receiver’s control by any means or process, or if this transaction is restrained by an injunction or other order issued by a court of competent jurisdiction, whereupon the only obligation of the Receiver shall be the return of the Deposit, without interest, set-off or abatement and the Bidder shall, and does hereby release the Receiver from any further obligation or liability in connection with the transaction of purchase and sale.
23. The Obligation of the Receiver to complete any transaction of purchase and sale is conditional upon the Receiver having received an Order from the Ontario Superior Court of Justice approving the sale transaction, and granting a Vesting Order, which Approval Order and Vesting Order shall be in full force and effect as of the date of closing and shall not have been stayed. In the event that these conditions are not met the Receiver may, in its sole discretion elect to:
24. extend the Closing Date to such date and on such terms as are acceptable to the purchaser, acting reasonably;
25. close the transaction of purchase and sale in escrow, subject to any conditions that may have to be negotiated; or
26. cancel the transaction of purchase and sale contemplated herein.
27. If the transaction of purchase and sale is terminated by the Receiver, the only obligation of the Receiver shall be the return of the Deposit, without interest, set-off or abatement and the purchaser shall, and does hereby release the Receiver from any further obligation or liability in connection with the transaction of purchase and sale.
28. Bidders will be required to arrange any necessary financing. The Receiver will not accept any Offer that includes Vendor Take Back Financing.
29. Bidders are encouraged to use the Draft form Agreement of Purchase and Sale, which may be downloaded from the virtual data room, in submitting their offer.