

EXPRESSION OF INTEREST AND BID PROCEDURES

Below are the procedures (the “SISP Procedures”) for expressing interest and submitting bids that will be employed for the sale of substantially all of the property, assets and undertaking of Bogdon & Gross Furniture Company Limited (the “Assets”, and the “Company”, respectively).

Step 1: Expression of Interest

- The Company, with the assistance of the Proposal Trustee, will:
 - prepare a list identifying potential purchasers and investors (“**Potential Offerees**”), and
 - prepare a document (the “**Teaser Letter**”) summarizing the opportunity,
- The Company, with the assistance of the Proposal Trustee, will contact the Potential Offerees and other parties that come to its attention.
- The Teaser Letter and other information pertaining to the opportunity will be posted on the Proposal Trustee’s website:
http://www.zeifmans.ca/index.php/insolvency_file/bogdon-gross-furniture-company-ltd/
- A notice will be published in the national edition of *The Globe and Mail* newspaper and, at the discretion of the Proposal Trustee (with the assistance of the Company), in trade and local publications.
- A party that is interested purchasing the Assets or making an investment in the Company must deliver to the Proposal Trustee by no later than 5:00 p.m. on March 31, 2014 (the “**EOI Deadline**”) a letter expressing such interest (an “**EOI**”).

Step 2: Due Diligence

- A party that delivers an EOI to the Proposal Trustee on or before the EOI Deadline will be referred herein as an “**Interested Party**” and are collectively referred to as “**Interested Parties**”.
- Interested Parties who execute a confidentiality agreement (a “**CA**”) in a form satisfactory to the Proposal Trustee will have an opportunity to perform due diligence, including reviewing information in a virtual data room and touring the Facility.
- The Company, with the assistance of the Proposal Trustee, will facilitate diligence efforts by, among other things, responding to questions and coordinating tours of the Facility.

Step 3: Binding Offers

- Interested Parties must submit offers no later than 5:00 p.m. on April 14, 2014 (the “**Bid Deadline**”).

- Interested Parties seeking to acquire the assets will be able to refer to a template asset purchase agreement (“APA”) that will be posted in the data room. Interested Parties seeking to purchase the Assets must submit offers in the form of the APA, with any changes black-lined against the APA (a “Bid”).
- A Bid shall:
 - Include a refundable cash deposit in in the form of a wire transfer (to a bank account specified by the Proposal Trustee) or such other form of deposit as is acceptable to the Proposal Trustee, payable to the order of the Proposal Trustee, in trust, in an amount equal to 10% (the “Deposit”) of the purchase price or investment amount. The Deposit will either (i) be applied to satisfy the purchase price; or (ii) be forfeited to the Company in the event that the Successful Bidder (defined below) breaches its obligations pursuant to an Accepted Bid (defined below);
 - Disclose of the identity of each entity (including its ultimate shareholders) that will be bidding for the Assets or otherwise participating in a Bid and the complete terms of any such participation;
 - Provide evidence satisfactory to the Proposal Trustee of financing sufficient to close a transaction within the timelines detailed in these procedures;
 - Be irrevocable until 45 days after the date of the Bid Deadline; and
 - In the case of a Bid where the consideration payable is in the form other than cash or the assumption of liabilities of the Company, the Bidder must include a detailed description of the form of consideration as well as sufficient financial information relating thereto, to enable the Company and the Proposal Trustee to assess the value and liquidity of the consideration.
- The Proposal Trustee will determine in its sole discretion if a Bid meets the above criteria. A Bid 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”.
- The Proposal Trustee, in its sole discretion, will determine which Qualified Bid (or Qualified Bids) is (or are) successful (the “Accepted Bid”), and the Company will enter into a binding Asset Purchase Agreement on substantially the same terms as the APA (as amended by the Accepted Bid and subject to further negotiations between the Company and the Qualified Bidder) with the Qualified Bidder (the “Successful Bidder”).
- The Proposal Trustee shall give written notice to all Qualified Bidders of the identity of the Successful Bidder and the next highest or next best Qualified Bid (the “Back-up Bid”).

- The Proposal Trustee will have the sole right to value any non-cash consideration, including the assumption of liabilities, offered in any Bid to determine whether it represents the best or highest Bid at any time.
- The Successful Bidder agrees to do all such things as are reasonably required for the Company and the Proposal Trustee to obtain Court approval of the Accepted Bid within seven (7) days of the Company's acceptance of the Accepted Bid.
- If the Successful Bidder fails to close a purchase transaction within ten (10) days after Court approval (or such date that may otherwise be mutually agreed upon between the Company, the Proposal Trustee and the Successful Bidder), the Proposal Trustee shall be authorized but not required to deem that (a) the Successful Bidder has breached its obligations pursuant to the APA, and (b) has forfeited its Deposit to the Company, and (c) the Company will be authorized to enter into a transaction with a party who has submitted the Back-up Bid.
- For greater certainty, Interested Parties and Qualified Bidders shall be responsible for their own fees and costs relating to their investigation and/or closing or any transaction under these procedures.
- The Proposal Trustee may make such minor amendments to the SISP Procedures as may be necessary or desirable.

IN THE MATTER OF THE PROPOSAL OF BOGDON & GROSS FURNITURE
COMPANY LIMITED OF THE TOWN OF WALKTERON IN THE PROVINCE OF
ONTARIO

Court File No. 35-1844150
Estate No. 35-1844150

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

PROCEEDING COMMENCED AT
LONDON

ORDER

(Re: Transfer Proceedings to Toronto, Amend SISP)

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