

**Court File No. CV-24-00730212-00CL**

**CHESSWOOD GROUP LIMITED, CASE FUNDING INC., CHESSWOOD HOLDINGS LTD., CHESSWOOD US ACQUISITIONCO LTD., PAWNEE LEASING CORPORATION, LEASE-WIN LIMITED, WINDSET CAPITAL CORPORATION, TANDEM FINANCE, INC., CHESSWOOD CAPITAL MANAGEMENT INC., CHESSWOOD CAPITAL MANAGEMENT USA INC., 942328 ALBERTA INC., 908696 ALBERTA INC., WAYPOINT INVESTMENT PARTNERS INC. and 1000390232 ONTARIO INC.**

**FOURTH REPORT OF FTI CONSULTING CANADA INC., AS MONITOR**

**February 28, 2025**

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**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
CHESSWOOD GROUP LIMITED, CASE FUNDING INC., CHESSWOOD HOLDINGS  
LTD., CHESSWOOD US ACQUISITIONCO LTD., PAWNEE LEASING CORPORATION,  
LEASE-WIN LIMITED, WINDSET CAPITAL CORPORATION, TANDEM FINANCE, INC.,  
CHESSWOOD CAPITAL MANAGEMENT INC., CHESSWOOD CAPITAL  
MANAGEMENT USA INC., 942328 ALBERTA INC., 908696 ALBERTA INC., WAYPOINT  
INVESTMENT PARTNERS INC. and 1000390232 ONTARIO INC.

(each, a “**CCAA Party**”, and collectively, the “**CCAA Parties**”)

**FOURTH REPORT TO THE COURT**  
**SUBMITTED BY FTI CONSULTING CANADA INC.,**  
**IN ITS CAPACITY AS MONITOR**

**A. INTRODUCTION**

1. On October 29, 2024 (the “**Filing Date**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made an Order (the “**Initial Order**”) under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) in respect of the CCAA Parties (the proceedings commenced pursuant to the Initial Order, the “**CCAA Proceedings**”). The Initial Order resulted from an application brought by Royal Bank of Canada, in its capacity as administrative agent and as collateral agent (in such capacity, the “**Agent**”) to the lenders (the “**Pre-Filing Lenders**”) under a second amended and restated credit agreement dated as of January 14, 2022, as amended (the “**Existing Credit Agreement**”).
2. Pursuant to the Initial Order, among other things, FTI Consulting Canada Inc. (“**FTI**”) was appointed as monitor of the CCAA Parties (in such capacity, the “**Monitor**”) with authority to, among other things, for and on behalf of, and in the name of, the CCAA Parties and their respective boards of directors, conduct and control the financial affairs and operations

of the CCAA Parties, and carry on the Business of any of the CCAA Parties. The Initial Order also approved the term sheet dated October 28, 2024 (the “**DIP Term Sheet**”) between Chesswood Group Limited (“**Chesswood**”), as borrower, the other entities in the Chesswood Group, as guarantors, Royal Bank of Canada, as administrative and collateral agent, and the lenders thereunder (the “**DIP Lenders**”), and authorizing borrowings under a secured super-priority credit facility established thereunder (the “**DIP Term Sheet**”).

3. On October 30, 2024, the Monitor, in its capacity as foreign representative, commenced proceedings under chapter 15 of title 11 of the United States Code (“**Chapter 15**” and proceedings commenced thereunder, “**Chapter 15 Proceedings**”) for each of the CCAA Parties with the U.S. Bankruptcy Court for the District of Delaware (the “**U.S. Court**”). On October 31, 2024, the U.S. Court entered, among others, an Order Granting Petitioner’s Motion for Provisional Relief.
4. On November 7, 2024, the Court issued an amended and restated Initial Order (the “**ARIO**”), which, among other things, (i) extended the period of the Court-ordered stay of proceedings in respect of the CCAA Parties under the CCAA until January 31, 2025, and (ii) increased the permitted DIP Borrowings (as defined in the ARIO) up to a maximum of US\$65,000,000, subject to the terms and conditions of the ARIO and the DIP Term Sheet.
5. On November 25, 2024, the U.S. Court entered a final order recognizing the CCAA Proceedings as a foreign main proceeding and giving effect to the Initial Order and ARIO in the U.S.
6. On December 19, 2024, the Court issued an Order (the “**SISP Approval Order**”) that, among other things, approved a sale and investment solicitation process (the “**SISP**”), including bidding procedures thereunder (the “**Bidding Procedures**”) in respect of the CCAA Parties, other than the Rifco Entities (as defined below).
7. On December 19, 2024, the Court also issued an Order (the “**KERP Approval Order**”) that, among other things, approved a key employee retention plan and granted a charge in respect thereof.

8. On January 29, 2025, the Court issued an Order that extended the period of the Court-ordered stay of proceedings in respect of the CCAA Parties under the CCAA until March 31, 2025.
9. On January 29, 2025, the Court also issued an Order (the “**Rifco AVO**”) that, among other things, approved the sale of certain assets by the Rifco Entities to Vault Auto Finance Corporation (“**Vault**”), and granted related relief (the “**Rifco Transaction**”).
10. As set out more fully in the affidavit of Wenwei (Wendy) Chen sworn October 28, 2024 (the “**Chen Affidavit**”) filed in support of the application for the Initial Order, (i) the CCAA Parties’ business is a financial services company that provides loans to small businesses and consumers across Canada and the United States, focusing on equipment, vehicle and legal financing, and specializing in providing loans to a wide range of credit profiles, and (ii) CCAA protection was necessary given an impending liquidity crisis caused by, among other things, an inability of the CCAA Parties to pay their senior debt obligations as they became due, and several other continuing defaults under the Existing Credit Agreement, such that new borrowings under the Existing Credit Agreement were no longer permitted.
11. FTI filed a pre-filing report dated October 29, 2024 (the “**Pre-Filing Report**”) with the Court prior to the commencement of the CCAA Proceedings. The Monitor filed its first report dated November 6, 2024 (the “**First Report**”) in connection with the Agent’s motion for approval of the ARIO. The Monitor filed its second report dated December 14, 2024 (the “**Second Report**”) in connection with the Monitor’s motions for, among other things, (i) the SISP Approval Order and (ii) the KERP Approval Order. The Monitor filed its third report dated January 23, 2025 (the “**Third Report**”, and together with the Pre-Filing Report, the First Report and the Second Report, the “**Previous Reports**”) in connection with the Monitor’s motions for (i) the Rifco AVO; and (ii) the stay extension order. The Previous Reports are available on the Monitor’s website at <http://cfcanada.fticonsulting.com/Chesswood> (the “**Monitor’s Website**”).

12. This fourth report of the Monitor (the “**Fourth Report**”) is being filed to provide an update on certain developments in the CCAA Proceedings since the date of the Third Report, including the Monitor’s activities since the Third Report and the CCAA Parties’ actual cash receipts and disbursements for the 5-week period ending February 14, 2025, and a comparison to the cash flow forecast for the period ending April 4, 2025 (the “**January 2025 Forecast**”), along with an updated cash flow forecast for the period ending May 2, 2025, attached as Appendix “A” (the “**February 2025 Forecast**”), and in support of the Monitor’s motion returnable March 7, 2025 seeking:
- (a) an approval and reverse vesting order (the “**Pawnee RVO**”), which, among other things:
    - (i) approves the share purchase agreement dated February 28, 2025 (the “**Pawnee SPA**”), between Chesswood U.S. Acquisitionco Ltd. (the “**Pawnee Vendor**”) and North Mill Equipment Finance, LLC (“**North Mill**”), and the sale by the Pawnee Vendor of all of the issued and outstanding shares (the “**Purchased Shares**”) in the capital of Pawnee Leasing Corporation (“**Pawnee**”) and Tandem Finance Inc. (“**Tandem**” and together with Pawnee, the “**Purchased Companies**”) to North Mill through a reverse vesting transaction (the “**Proposed Pawnee Transaction**”);
    - (ii) removes the Purchased Companies from these CCAA Proceedings;
    - (iii) adds a newly incorporated affiliate of the Pawnee Vendor as a party subject to these CCAA Proceedings (“**Residual Co.**”);
    - (iv) approves certain vesting steps in connection with closing the Proposed Pawnee Transaction, including vesting certain liabilities in Residual Co;
    - (v) provides for certain limited releases of the Pawnee Released Parties (as defined below) in respect of claims relating to the Pawnee SPA and the Proposed Pawnee Transaction; and
    - (vi) sealing Confidential Appendix “B-2” to this Fourth Report, which contains an unredacted copy of the Pawnee SPA, until further order of the Court; and

- (b) an order (the “**Stay Extension Order**”) extending the Stay Period (as defined in the ARIO) until and including May 2, 2025.

**B. TERMS OF REFERENCE**

- 13. In preparing this Fourth Report, the Monitor has relied upon audited and unaudited financial information of the CCAA Parties’ books and records, certain financial information and forecasts prepared by the CCAA Parties, discussions with various stakeholders and parties, including senior management of the CCAA Parties (“**Management**”) and their respective advisors, and information and documentation provided by the DIP Agent and its legal counsel, Blake, Cassels & Graydon LLP (collectively, the “**Information**”).
- 14. Except as otherwise described in this Fourth Report:
  - (a) the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
  - (b) the Monitor has not examined or reviewed the financial forecasts or projections referred to in this Fourth Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
- 15. Future-oriented financial information reported in, or relied on, in preparing this Fourth Report is based on Management’s assumptions regarding future events. Actual results will vary from these forecasts and such variations may be material.
- 16. The Monitor has prepared this Fourth Report in connection with its motion for the Pawnee RVO and the Stay Extension Order. This Fourth Report should not be relied on for any other purpose.
- 17. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the ARIO or the Pawnee SPA, as applicable.

### **C. MONITOR'S ACTIVITIES SINCE THE THIRD REPORT**

18. Since the Third Report, the Monitor has undertaken the following activities, among others:
- (a) updating the Monitor's Website as necessary, including posting copies of the Third Report, the SISP Approval Order, the KERP Approval Order, and other related documents;
  - (b) assisting in activities related to the SISP in accordance with the SISP Approval Order, as described in greater detail below;
  - (c) engaging with interested parties with respect to potential transactions related to the assets and businesses of the CCAA Parties;
  - (d) engaging with the Pawnee Vendor, the Purchased Companies, North Mill, and the DIP Agent with respect to the Proposed Pawnee Transaction and the Pawnee SPA;
  - (e) engaging with the Rifco Entities, Vault, and the DIP Agent with respect to the closing of the Rifco Transaction and attending on related post-closing matters;
  - (f) issuing disclaimer notices pursuant to Section 32 of the CCAA in respect of certain contracts of the Chesswood Group;
  - (g) monitoring the Monitor's email inbox and responding to enquiries;
  - (h) participating in discussions with and assisting the CCAA Parties in discussions with employees, suppliers, creditors, other stakeholders and other parties on matters related to the CCAA Proceedings and responding to requests for information from certain such parties;
  - (i) reviewing borrowings under the DIP Facility;
  - (j) monitoring the receipts and disbursements of the CCAA Parties;
  - (k) responding to enquiries from stakeholders and participating in discussions with certain stakeholders;
  - (l) assisting in the reporting to the DIP Lenders in accordance with the DIP Term Sheet;



- (m) engaging in discussions with the DIP Agent and the DIP Lenders and their legal counsel regarding the SISP and the DIP Facility;
- (n) engaging in discussions with the CCAA Parties and their legal counsel regarding termination of certain contracts; and
- (o) preparing this Fourth Report.

**D. UPDATE ON THE RIFCO TRANSACTION**

19. On February 14, 2025:

- (a) the Rifco Transaction closed;
- (b) Rifco National Auto Finance Corporation and Rifco Inc. (together, the “**Rifco Entities**”) filed articles of amendment to change their legal names to 942328 Alberta Inc. and 908696 Alberta Inc., respectively; and
- (c) the Rifco Entities received total cash consideration of C\$12,495,000, of which US\$5,000,000 was distributed to the DIP Agent on February 24, 2025, with the balance being held back and to be released and distributed to the DIP Lenders in whole or in part as agreed by the DIP Lenders.

20. On February 14, 2025, the Monitor filed the Monitor’s certificate contemplated by the Rifco AVO with the Court. A copy of the Monitor’s certificate, dated February 14, 2025, is attached as Appendix “C”.

**E. UPDATE ON THE SISP**

21. The Monitor, with the assistance of the CCAA Parties, has conducted an extensive marketing process to solicit interest in an investment in or acquisition of the CCAA Parties of their business.

22. The Monitor provided 198 potential buyers and investors with a summary of the sale or investment opportunity and the process under the SISP, and an invitation to participate in the SISP (the “**Teaser**”). Additional interested parties that contacted the Monitor or the CCAA Parties about the opportunity were also provided a copy of the Teaser. The Monitor uploaded the Bidding Procedures and other information related to the SISP on to the

Monitor's Website on December 27, 2024. Notices were arranged and published in the Insolvency Insider publication and a speciality equipment finance publication, Monitor Daily, in accordance with paragraph 8(b) of the Bidding Procedures (attached as Schedule "A" to the SISP Approval Order) on December 29, 2024 and January 8, 2025, respectively. A press release was issued by the CCAA Parties with Canadian Newswire in accordance with paragraph 8(c) of the Bidding Procedures on December 30, 2024.

23. Following the granting of the SISP Approval Order, on December 23, 2024, U.S. counsel to the Monitor, in its capacity as Foreign Representative, filed a notice on the docket of the Chapter 15 Proceedings, which notice advised that the SISP Approval Order had been granted, that the Monitor will be conducting a marketing process with respect to the CCAA Parties' assets in the U.S., and that, if the process is successful and a sale is approved by this Court, the Monitor will return to the U.S. Court to seek recognition of such sale.
24. The Monitor received seven bids for various parts of the CCAA Parties' assets and business, of which only four were in the form of definitive documents as required by the SISP. As contemplated by the SISP, the Monitor subsequently negotiated amendments to applicable bids and ultimately the Monitor selected the bid from North Mill in respect of the Purchased Companies. The process leading to the selection of the North Mill bid as the Successful Bidder (as defined in the Bidding Procedures) is discussed in greater detail below.
25. The Monitor, with the consent of the DIP Lenders and pursuant to the SISP, has extended the SISP milestones as follows:
  - (a) Court approval: March 7, 2025
  - (b) U.S. Court approval: March 27, 2025
  - (c) Target date for closing: March 28, 2025
  - (d) Outside date for closing: April 18, 2025

## F. THE PROPOSED PAWNEE TRANSACTION

### Overview of the Pawnee business

26. As set out in the Chen Affidavit, Pawnee and Tandem are corporations incorporated pursuant to the laws of Colorado, and are subsidiaries of the Pawnee Vendor. Pawnee is, and Tandem was, in the business of equipment financing in the United States across a wide range of credit profiles. After Tandem ceased origination activity, Pawnee absorbed Tandem's loan servicing operations.
27. Pawnee, along with special purpose securitization vehicles that are not subject to these proceedings, including Pawnee Receivable Fund III LLC, PLC Equipment Finance Fund LLC, Pawnee Equipment Receivables (Series 2020-1) LLC, Pawnee Equipment Receivables (Series 2021-1) LLC, and Pawnee Equipment Receivables (Series 2022-1) LLC (collectively, the "SPVs"), are party to a number of structured financing, securitization and servicing agreements (collectively, the "**Securitization Agreements**") and the transactions represented thereby, the "**Securitized Assets**") with various lenders or trustees acting on behalf of investors (the "**Securitization Funders**"). Pawnee has originated equipment loans and leases. Pursuant to the Securitization Agreements, Pawnee has sold certain pools of equipment leases and loans, along with the related receivables, to the related SPVs which subsequently pledged such pools of equipment leases and loans, directly or indirectly, to the related Securitization Funders (with Securitization Funders providing financing to the related SPV, which financing is directly or indirectly secured by such pools of equipment loans and leases). The equipment leases and loans originated by Pawnee that have been sold and pledged pursuant to the foregoing arrangements are referred to herein as the "**Sold Originated Assets**". The equipment leases and loans originated by Pawnee that have not been sold are referred to herein as the "**Retained Originated Assets**".
28. For equipment related to such Sold Originated Assets and Retained Originated Assets, legal title is held either (i) in the name of a titling trust or (ii) in the name of Pawnee. As of February 13, 2025, Pawnee held title to 5,156 Sold Originated Assets and 461 Retained Originated Assets.

29. Sold Originated Assets to which Pawnee holds registered legal title are subject to a Vehicle Trust Agreement or a Vehicle Lienholder Nominee Agreement pursuant to which Pawnee holds such registered legal title for the benefit of the applicable Securitization Funders. Pawnee's economic interest in the Sold Originated Assets is based on servicing agreements (i.e., it receives compensation for servicing the Sold Originated Assets) and potential rights to residual payments where amounts received under the applicable Sold Originated Asset are in excess of the amounts due to the Securitization Funders pursuant to the Securitization Agreements. The Securitizations restrict the re-titling of titles while the Securitization Funders are still owed repayments of their original financing. The re-titling of titles in violation of such restriction could have negative repercussions on the Securitizations, including depriving the Securitization Funders of the collateral securing their financing and causing a default under the Securitizations.
30. Pawnee holds all economic interests in the Retained Originated Assets (i.e., the right to all payments under the applicable leases and loans, along with the underlying equipment), which represent the majority of the value of Pawnee's assets and business. These assets are held across 49 states and in the case of equipment are registered in the applicable titles registry in those 49 states.

*Pre-filing efforts to sell Pawnee or its business*

31. The Monitor understands that for an extended period prior to commencement of the CCAA Proceedings, the CCAA Parties and their representatives were engaged in various strategic initiatives and were in discussions with various third party potential investors and purchasers with a view to achieving a sale of, or investment in, one or more of the CCAA Parties and their businesses through a private transaction. This includes, beginning in late 2022, an engagement of RBC Capital Markets ("**RBCCM**") to conduct a sale process for the business of Pawnee, which included solicitations to 133 parties, the execution of 35 non-disclosure agreements and the receipt of six offers.
32. During the first quarter of 2024, RBCCM contacted the same 133 parties and an additional 54 parties in an effort to conduct a sale process for the business of Chesswood and all of its subsidiaries, including Pawnee. Through that process, 26 non-disclosure agreements

were signed and six offers were received. However, notwithstanding the foregoing marketing efforts, no executable transaction involving the sale of, or investment in, Pawnee was identified at that time.

Post-filing efforts to sell Pawnee or its business

33. Following the Filing Date, and in accordance with the SISP, the Monitor contacted 198 parties that may have had an interest in Pawnee's business. Of those, 32 signed non-disclosure agreements to gain access to a data room and evaluate a potential acquisition of Pawnee or its business. The Monitor received six offers from those parties, including one from North Mill.
34. Pursuant to the SISP, the Monitor subsequently negotiated amendments and clarifications to the bids and ultimately identified the North Mill bid as the highest and best bid.
35. The Monitor notes that it is currently finalizing the terms of a Back-Up Bid (as defined in Bidding Procedures) as well. The Monitor continues to negotiate the Back-Up Bid; however, at this time, the Back-Up Bid provides for less consideration, is not accompanied by a deposit, and contains a due diligence condition.

Key terms of the Proposed Pawnee Transaction

36. Pursuant to the Pawnee SPA, North Mill would acquire the Purchased Shares through a reverse vesting transaction. The key terms of the Pawnee SPA are summarized below (capitalized terms in this section not otherwise defined in this Fourth Report are as defined in the Pawnee SPA):<sup>1</sup>
  - (a) **Purchaser:** North Mill.
  - (b) **Vendor:** Chesswood U.S. Acquisitionco Ltd. (defined above as the Pawnee Vendor).

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<sup>1</sup> The following summary is qualified in its entirety by the actual terms of the Pawnee SPA.

- (c) **Purchased Shares:** All of the issued and outstanding shares in the capital of the Purchased Companies, through a reverse vesting structure in accordance with the proposed Pawnee RVO.
- (d) **Purchase Price:** The purchase price payable by North Mill to the Pawnee Vendor for the Purchased Shares has been redacted from the Pawnee SPA attached as Appendix “B-1” hereto. An unredacted Pawnee SPA is attached as Confidential Appendix “B-2”, which is the subject of a sealing order request, as detailed further below.
- (e) **Deposit:** Approximately 10% of the Purchase Price.
- (f) **Adjustment Amount:** The purchase price payable is subject to certain adjustments related to:
  - (i) changes in the reported value of the Retained Originated Assets between November 30, 2024 and February 28, 2025;
  - (ii) certain amounts received by the Purchased Companies in connection with the Securitizations between December 1, 2024 and February 28, 2025;
  - (iii) changes in the value of inventory for liquidation (*e.g.*, repossessed equipment) between November 30, 2024 and February 28, 2025;
  - (iv) cash distributed from the Purchased Companies to an affiliate after February 28, 2025; and
  - (v) a test of a sampling of certain of the Purchased Companies’ assets by an independent accountant, the outcome of which may be subject to further review by a resolving accountant firm in certain circumstances.
- (g) **Retained Assets:** All of the assets owned by the Purchased Companies on closing, or which a Purchased Company is holding on behalf a third party pursuant to a Retained Contract, Securitization or a Forward Flow Transaction, other than the Excluded Assets, will be Retained Assets.

- (h) **Excluded Assets:** Excluded Assets include, among other things:
  - (i) certain Tax records and books and records;
  - (ii) the Excluded Contracts,
  - (iii) any assets listed in Schedule B of the Pawnee SPA;
  - (iv) the Equity Interests of Bishop Holdings LLC;<sup>2</sup> and
  - (v) Claims solely and directly related to Excluded Assets, the Excluded Contracts or the Excluded Liabilities.
  
- (i) **Retained Contracts:** all contracts listed on Schedule G to the Pawnee SPA, including the Securitization Agreements.
  
- (j) **Excluded Contracts:** all contracts that are not Retained Contracts, including any Removed Contract.
  
- (k) **Removed Contracts:** North Mill may remove any contract designated as a Retained Contract, no later than three business days before closing (or, in the case of any servicing contract, no later than 10 business days before closing), on written notice to the Pawnee Vendor. No adjustment to the purchase price will be made for any Removed Contracts. North Mill intends to designate as a Removed Contract any contract where:
  - (i) the contract has not been prepaid by the Pawnee Vendor; and/or
  - (ii) the contract is in default and that default has not been waived by the counterparty; and/or
  - (iii) cure costs are payable and such cure costs have not been waived in writing.
  
- (l) **Excluded Liabilities:** All Claims of or against a Purchased Company at the Closing Time, other than Assumed Liabilities, including the Liabilities set forth in Schedule D to the Pawnee SPA, all Claims relating to or under the Excluded Contracts and Excluded Assets, any and all Claims relating to any change of control provision (or a provision restricting the transfer of equity in a Purchased Company)

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<sup>2</sup> Pawnee holds a 10% interest in Bishop Holdings LLC.

that may arise in connection with the change of control contemplated by the Proposed Pawnee Transaction and to which a Purchased Company may be bound as at the Closing Time, among others.

- (m) **Employee Matters:** Prior to closing, the Purchased Companies will terminate any employee who does not receive, or does not accept, an offer of employment from North Hill. North Hill will provide a list of all employees who have accepted its offer of employment to the Pawnee Vendor not later than five business days before closing.
- (n) **“As is, Where is”:** North Mill will acquire the Purchased Shares on an “as is, where is” basis, and the Pawnee Vendor has made certain customary disclaimers with respect to the Purchased Shares, the Purchased Companies, the Retained Assets, the Retained Contracts, and other matters contemplated by the Pawnee SPA.
- (o) **Granting of Approval and Reverse Vesting Order:** The completion of the Proposed Pawnee Transaction is conditioned upon, among other things, the Pawnee RVO having been issued and entered by the Court.
- (p) **Outside Date for Closing:** March 31, 2025, or such later date agreed to by the parties.
- (q) **Termination:** The Pawnee SPA may be terminated in the following circumstances, among others (and subject to certain limitations set out in the Pawnee SPA):
  - (i) by mutual written agreement of the parties;
  - (ii) by the Pawnee Vendor or North Mill, if closing has not occurred on or before 5:00 p.m. on the Outside Date;
  - (iii) by the Pawnee Vendor or North Mill, if the Pawnee RVO is denied by the Court (or is stayed, vacated or varied without their respective consent);
  - (iv) by the Pawnee Vendor or North Mill, if the U.S. Court declines at any time to grant the Vesting Recognition Order, provided that any decision of the U.S. Court is not under appeal by the Pawnee Vendor;



- (v) by the Pawnee Vendor or North Mill if a Governmental Entity issues an order or takes any other action to restrain, enjoin or otherwise prohibit the consummation of the Proposed Pawnee Transaction and such order has become a Final Order; or
  - (vi) by the Pawnee Vendor if North Mill fails to fund the estimated purchase price on or prior to the date on when closing would have otherwise occurred.
- 37. The Pawnee RVO contemplates, among other things, that the aggregate cash proceeds from the Proposed Pawnee Transaction will be distributed to the DIP Agent as a mandatory repayment in accordance with and subject to the terms (including with respect to reserves) of the DIP Term Sheet.
- 38. The Pawnee RVO also contemplates the issuance of releases (the “**Releases**”) in favour of:
  - (a) current and former directors, officers, employees, legal counsel and advisors of Chesswood, the Pawnee Vendor, the Purchased Companies and Residual Co.;
  - (b) the Monitor and its counsel, and their respective current and former directors, officers, partners, employees, consultants and advisors; and
  - (c) North Mill and its current and former directors, officers, employees, legal counsel and advisors (together, the “**Pawnee Released Parties**”),in each case, limited to matters arising in connection with or relating to the Pawnee SPA, the Proposed Pawnee Transaction and the proposed Pawnee RVO.
- 39. The proposed Releases are being sought to achieve certainty and finality for the Pawnee Released Parties, in a manner consistent with prior practice for reverse vesting transactions.

#### **G. APPROVAL OF THE PROPOSED PAWNEE TRANSACTION**

- 40. The Proposed Pawnee Transaction is to be implemented pursuant to a reverse vesting order (an “**RVO**”). The Monitor believes that this is necessary and appropriate. In forming this view, the Monitor considered the issues and factors raised and considered by Canadian courts in other CCAA proceedings that involved RVOs, including *Harte Gold*, which are set out and summarized below.

*The RVO structure is necessary in this case*

41. An RVO is required to address the fact that title to the Retained Originated Assets is held in, and by, Pawnee. Specifically, absent a share acquisition facilitated by an RVO, an asset structure whereby title is transferred post-closing would significantly delay a buyer's ability to gain the economic benefit of the Retained Originated Assets (i.e., by securitizing them), would be a significant administrative burden on the Pawnee Vendor and the Purchased Companies, would result in significant additional costs to the CCAA Parties' estate. Further details with respect to this, including the Monitor's efforts and exercises with respect to same, are as follows:
- (a) The Monitor has confirmed with Pawnee management that the titling transfer process to transfer title to the Retained Originated Assets, in each of the 49 states in which Retained Originated Assets are held, would take approximately three months, would require that a third-party titling service be retained, and would have an estimated cost of US\$500,000. The delay in transferring title would also mean that North Mill could not securitize and derive the intended economic benefit from the Retained Originated Assets for such period.
  - (b) As RVOs are only available in limited exceptional circumstances, the Monitor considered potential alternative structures, including an asset acquisition. The Monitor proposed an asset acquisition structure whereby Pawnee would: (i) transfer beneficial interest in the Retained Originated Assets to North Mill on closing; and (ii) grant an irrevocable power of attorney with respect to the registered interests in favour of North Mill to provide it with the ability to register all transfers of title into its name post closing (the "**Proposed Asset Acquisition Structure**").
  - (c) North Mill and its counsel subsequently consulted with two ratings agencies (Fitch Ratings Inc. and Moody's Investor Service, Inc., collectively referred to herein as the "**Ratings Agencies**") to confirm whether the Proposed Asset Acquisition Structure would be acceptable. On February 25, 2025, North Mill's counsel delivered a letter (the "**North Mill Confirmation**") confirming that the Ratings Agencies would not permit the Retained Originated Assets titled in Pawnee's name to be included in collateral of North Mill's securitization programs absent an RVO

and that such restriction would apply regardless of whether a power of attorney was in place with respect to such assets. A copy of the North Mill Confirmation is attached as Appendix “D” hereto.

- (d) Accordingly, as set out in the North Mill Confirmation, North Mill advised that it would only proceed by way of an RVO, as it would address the issue of Pawnee holding title to the Retained Originated Assets and thereby enable North Mill to close the Proposed Pawnee Transaction. The North Mill Confirmation also provides that North Mill would not be able to finance the transaction through its warehouse lender if the titling issue is not resolved.

*The RVO structure produces an economic result at least as favourable as any other viable alternative*

- 42. The Proposed Pawnee Transaction represents the best and highest bid identified by the SISP.
- 43. The potential Back-Up Bid also contemplates an RVO structure (however, in that case the buyer also requires certain non-transferrable licenses that North Mill does not require). The contemplated Back-Up Bid, which is under negotiation, provides for less consideration, is not accompanied by a deposit, and contains a due diligence condition.
- 44. As noted in further detail below, the Pre-Filing Lenders are significantly impaired in these cases and, as such, no other creditors would ultimately be entitled to any recovery in any other scenario.
- 45. The Monitor believes that the consideration payable under the Proposed Pawnee Transaction represents a greater recovery than could be achieved in a bankruptcy.
- 46. The Pre-Filing Lenders and the DIP Lenders support the Proposed Pawnee Transaction and the granting of the proposed Pawnee RVO.

No stakeholders are worse off under an RVO structure than they would have been under any other viable alternative

47. As noted above, the second highest bid would also require an RVO and the consideration payable under the Proposed Pawnee Transaction represents a greater recovery than what could be achieved in a bankruptcy.
48. The cash portion of the purchase price payable under the Proposed Pawnee Transaction is significantly less than the secured obligations outstanding under the Existing Credit Agreement (the “**Credit Facility Obligations**”) and the outstanding DIP Borrowings. Accordingly, in this or any other scenario, all proceeds would ultimately be payable to the Pre-Filing Lenders and the DIP Lenders and, in an alternative transaction or arrangement, the Pre-Filing Lenders would stand to suffer a greater loss.
49. The Monitor has reviewed the books and records of the Purchased Companies and understands that unsecured claims against the Purchased Companies total approximately US\$3.2 million. Given the significant anticipated shortfall on repayment of the Credit Facility Obligations, the Monitor anticipates that the Pre-Filing Lenders would be able to carry a vote on any plan of arrangement as its deficiency claim would be far in excess of the value of unsecured claims. In no scenario is it anticipated that there could be any recovery for unsecured creditors.

Service

50. The Monitor intends to give notice of this motion to contractual counterparties of the Purchased Companies that may contain change of control or assignment provisions<sup>3</sup>, in addition to the service list.

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<sup>3</sup> Management has advised that any loan or lease agreements between the Purchased Companies and borrowers do not contain change of control or assignment provisions.

## **H. SEALING OF CONFIDENTIAL INFORMATION**

51. Confidential Appendix “B-2” to this Fourth Report contains an unredacted copy of the Pawnee SPA, which, in the context of the competitive SISP, discloses certain commercially sensitive financial information (the “**Confidential Information**”), including the purchase price, the deposit, and portions of certain provisions related to the determination of the purchase price.
52. The disclosure of this Confidential Information could pose a serious risk to the objective of maximizing value in these CCAA Proceedings. If the Proposed Pawnee Transaction were to not close, disclosure of the purchase price and other Confidential Information would impair the integrity of any subsequent process to find any subsequent purchaser. Accordingly, the Monitor is requesting a sealing order in respect of the unredacted copy of the Pawnee SPA, pending further order of the Court. In the Monitor’s view, in the circumstances, the salutary effects of the proposed sealing order outweighs any deleterious effects that may exist.

## **I. RECEIPTS AND DISBURSEMENTS FOR THE 5-WEEK PERIOD ENDED FEBRUARY 14, 2025**

53. The CCAA Parties’ actual net cash flow from operations on a consolidated basis for the 5-week period ending February 14, 2025 was approximately US\$2.9 million, compared to a forecasted negative net cash flow of approximately US\$1.4 million, representing a positive variance of approximately US\$4.3 million as summarized below:

(\$USD in thousands)

	5 Weeks Ending February 14, 2025			
	Actual	Forecast	Variance (\$)	Variance (%)
<b>Receipts</b>				
Receipts from Securitization Assets	\$ 4,920	\$ 7,329	\$ (2,409)	-32.9%
Receipts from Financing Instrument Receivables	10,318	2,387	7,931	332.3%
<b>Total Receipts</b>	<b>\$ 15,238</b>	<b>\$ 9,716</b>	<b>\$ 5,522</b>	<b>56.8%</b>
<b>Disbursements</b>				
<b>Operating Disbursements</b>				
Disbursements from Securitization Assets	(9,024)	(5,698)	(3,327)	-58.4%
Collections Expense	(779)	(1,210)	430	35.6%
Payroll	(1,830)	(1,786)	(44)	-2.5%
Other Operating Expenses	(713)	(2,388)	1,675	70.1%
Taxes	-	(20)	20	100.0%
<b>Total Operating Disbursements</b>	<b>\$ (12,347)</b>	<b>\$ (11,102)</b>	<b>\$ (1,246)</b>	<b>-11.2%</b>
<b>Net Cash from Operations</b>	<b>\$ 2,891</b>	<b>\$ (1,385)</b>	<b>\$ 4,277</b>	<b>308.7%</b>
<b>Financing Disbursements</b>				
Loan Repayments	(15,036)	(4,842)	(10,194)	-210.5%
Interest Expenses	(719)	(682)	(37)	-5.4%
<b>Restructuring Disbursements</b>				
Restructuring Legal and Professional Costs	(1,400)	(5,808)	4,407	75.9%
<b>Net Cash Flows</b>	<b>\$ (14,264)</b>	<b>\$ (12,718)</b>	<b>\$ (1,546)</b>	<b>-12.2%</b>
Beginning Balance	5,242	5,242	(0)	0.0%
Net Cash Flows	(14,264)	(12,718)	(1,546)	-12.2%
DIP Advances	14,632	12,703	1,928	15.2%
DIP Fees & Interest	(312)	(286)	(27)	-9.4%
FX Gain (Loss)	109	-	109	100.0%
<b>Ending Balance</b>	<b>5,406</b>	<b>4,942</b>	<b>464</b>	<b>9.4%</b>
Transfer of Funds to Monitor's Trust Account	(2,224)	-	(2,224)	-100.0%
Remaining Rifco Cash - Transfer to Vault	(399)	-	(399)	-100.0%
<b>Revised Ending Balance</b>	<b>2,783</b>	<b>4,942</b>	<b>(2,159)</b>	<b>-43.7%</b>

54. Explanations for the key variances from the January 2025 Forecast are as follows:

- (a) negative variance in *Receipts from Securitization Assets* of approximately US\$2.4 million as a result of lower than forecast Pawnee receipts. A portion of the negative variance is offset by higher than forecast Rifco receipts;
- (b) positive variance in *Receipts from Financing Instruments Receivables* of approximately US\$7.9 million due to higher than forecast collections from Pawnee as a result of owned loans and securitization payments being collected into co-mingled accounts. A portion of the variance is temporary in nature and will ultimately be reflected as a disbursement under *Disbursements from Securitization Assets*, once the CCAA Parties complete their reconciliations;
- (c) negative variance in *Disbursements from Securitization Assets* of approximately US\$3.3 million due to higher than forecast Pawnee and Rifco disbursements due to the timing of weekly and monthly reconciliations of securitization payments. A portion of this variance is temporary and may reverse in the coming weeks;

- (d) positive variance in *Collections Expense* of approximately US\$0.4 million due to lower than forecast actual collections disbursements, which may be temporary in nature and may reverse in future weeks;
- (e) positive variance in *Other Operating Expenses* of approximately US\$1.7 million due to lower than forecast actual operating disbursements, which may be temporary in nature and may reverse in future weeks; and
- (f) positive variance in *Restructuring Legal and Professional Costs* of approximately US\$4.4 million is temporary in nature and is expected to reverse in future weeks as invoices are issued and paid.

**J. EXTENSION OF THE STAY PERIOD**

- 55. The Stay Period will expire on March 31, 2025. The continuation of the stay of proceedings is necessary to provide ongoing stability to the CCAA Parties, including while the Monitor works to close the Proposed Pawnee Transaction, if approved, and continues to advance the CCAA Proceedings. Accordingly, the Monitor is seeking an extension of the Stay Period up to and including May 2, 2025.
- 56. As is demonstrated in the February 2025 Forecast, attached as Appendix “A”, the CCAA Parties are forecast to have sufficient liquidity to fund their obligations and costs of the CCAA Proceedings through the end of the extended Stay Period. The February 2025 Forecast is summarized below.

*(\$USD in thousands)*

<b>Cash Flow Forecast for the 11 Week Period Ended May 2, 2025</b>	
<i>(\$USD in thousands)</i>	Total
Receipts	
Receipts from Securitization Assets	\$ 10,457
Receipts from Financing Instrument Receivables	4,676
<b>Total Receipts</b>	<b>\$ 15,133</b>
Disbursements	
<i>Operating Disbursements</i>	
Disbursements from Securitization Assets	(12,136)
Collections Expense	(1,090)
Payroll	(4,138)
Other Operating Expenses	(4,930)
Taxes	(400)
<b>Total Operating Disbursements</b>	<b>\$ (22,694)</b>
<b>Net Cash from Operations</b>	<b>\$ (7,562)</b>
<i>Financing Disbursements</i>	
Loan Repayments	(3,825)
Interest Expenses	(1,802)
<i>Restructuring Disbursements</i>	
Restructuring Legal and Professional Costs	(8,482)
<b>Net Cash Flows</b>	<b>\$ (21,671)</b>
Cash	
Beginning Balance	\$ 2,783
Net Cash Flows	(21,671)
Rifco Proceeds Reserve	1,500
DIP Advances	22,075
DIP Fees & Interest	(1,262)
<b>Ending Balance</b>	<b>\$ 3,425</b>

57. In addition, the DIP Lenders, the DIP Agent and the Monitor have agreed to amend the DIP Term sheet such that the maturity will be the earlier of (i) May 2, 2025 (*i.e.*, the end of the proposed extended Stay Period) or (ii) the closing of the sale of all or substantially all of the assets of the Loan Parties (as defined in the DIP Term Sheet).
58. The Monitor supports extending the Stay Period to May 2, 2025, for the following reasons:
- (a) during the proposed extension of the Stay Period, the CCAA Parties, under the oversight of the Monitor, will have an opportunity and the breathing room necessary to complete the SISP and close the Proposed Pawnee Transaction, if approved;
  - (b) as indicated by the February 2025 Forecast, the CCAA Parties are forecast to have sufficient liquidity to continue operating in the ordinary course of business during the requested extension of the Stay Period;



- (c) based on the information currently available to it, the Monitor believes that no creditor of the CCAA Parties would be materially prejudiced by the extension of the Stay Period;
- (d) the CCAA Parties, under the applicable supervision of the Monitor, are acting in good faith and with due diligence; and
- (e) the CCAA Parties have acted in good faith and with due diligence in the CCAA Proceedings since the commencement of the CCAA Proceedings.

**K. CONCLUSION**

59. For the reasons set out in this Fourth Report, the Monitor is of the view that:

- (a) the Proposed Pawnee Transaction should be approved and that the proposed Pawnee RVO is necessary, reasonable and justified in the circumstances;
- (b) an extension of the Stay Period up to and including May 2, 2025, is reasonable in the circumstances.

60. Accordingly, the Monitor respectfully requests that the Pawnee RVO and Stay Extension Order be granted.

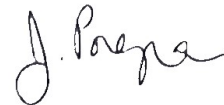
All of which is respectfully submitted this 28<sup>th</sup> day of February, 2025.

**FTI Consulting Canada Inc.**

In its capacity as Monitor of Chesswood Group Limited, Case Funding Inc., Chesswood Holdings Ltd., Chesswood US Acquisitionco Ltd., Pawnee Leasing Corporation, Lease-Win Limited, Windset Capital Corporation, Tandem Finance, Inc., Chesswood Capital Management Inc., Chesswood Capital Management USA Inc., 942328 Alberta Inc., 908696 Alberta Inc., Waypoint Investment Partners Inc. and 1000390232 Ontario Inc. and not in its personal or corporate capacity



Jeffrey Rosenberg  
Senior Managing Director



Jodi Porepa  
Senior Managing Director

**APPENDIX “A” – FEBRUARY 2025 FORECAST**

(see attached)

## Chesswood Group Limited

### Consolidated Cash Flow Forecast

(\$USD in thousands)

Forecast Week Ending	21-Feb-25	28-Feb-25	07-Mar-25	14-Mar-25	21-Mar-25	28-Mar-25	04-Apr-25	11-Apr-25	18-Apr-25	25-Apr-25	02-May-25	11 Weeks	
Forecast Week	[1]	1	2	3	4	5	6	7	8	9	10	11	Total
<b>Receipts</b>													
Receipts from Securitization Assets	[2]	\$ 959	\$ 445	\$ 1,100	\$ 456	\$ 2,008	\$ 445	\$ 1,100	\$ 456	\$ 1,709	\$ 679	\$ 1,100	\$ 10,457
Receipts from Financing Instrument Receivables	[3]	690	470	490	132	700	175	535	80	732	147	525	4,676
<b>Total Receipts</b>		\$ 1,649	\$ 915	\$ 1,590	\$ 588	\$ 2,708	\$ 620	\$ 1,635	\$ 536	\$ 2,441	\$ 826	\$ 1,625	\$ 15,133
<b>Disbursements</b>													
<i>Operating Disbursements</i>													
Disbursements from Securitization Assets	[4]	(1,700)	(852)	(1,200)	(300)	(1,800)	(852)	(1,200)	(300)	(1,380)	(1,352)	(1,200)	(12,136)
Collections Expense	[5]	(70)	(210)	(50)	(50)	(70)	(210)	(50)	(50)	(70)	(210)	(50)	(1,090)
Payroll	[6]	(416)	(75)	(354)	(75)	(416)	(75)	(354)	(75)	(416)	(75)	(1,810)	(4,138)
Other Operating Expenses	[7]	(451)	(430)	(411)	(417)	(593)	(372)	(441)	(459)	(453)	(494)	(411)	(4,930)
Taxes		-	-	-	(100)	-	-	-	-	(300)	-	-	(400)
<b>Total Operating Disbursements</b>		\$ (2,636)	\$ (1,567)	\$ (2,014)	\$ (942)	\$ (2,878)	\$ (1,509)	\$ (2,045)	\$ (884)	\$ (2,618)	\$ (2,131)	\$ (3,471)	\$ (22,694)
<b>Net Cash from Operations</b>		\$ (987)	\$ (652)	\$ (424)	\$ (354)	\$ (170)	\$ (889)	\$ (410)	\$ (348)	\$ (177)	\$ (1,305)	\$ (1,846)	\$ (7,562)
<i>Financing Disbursements</i>													
Loan Repayments	[8]	-	(1,434)	-	-	(132)	(856)	-	(435)	(80)	(888)	-	(3,825)
Interest Expenses	[9]	-	-	(609)	-	-	-	(601)	-	-	-	(593)	(1,802)
<i>Restructuring Disbursements</i>													
Restructuring Legal and Professional Costs	[10]	-	(64)	(1,689)	(1,547)	(1,547)	(1,041)	(653)	(547)	(547)	(424)	(424)	(8,482)
<b>Net Cash Flows</b>		\$ (987)	\$ (2,149)	\$ (2,722)	\$ (1,901)	\$ (1,849)	\$ (2,786)	\$ (1,663)	\$ (1,330)	\$ (804)	\$ (2,617)	\$ (2,862)	\$ (21,671)
<b>Cash</b>													
Beginning Balance		\$ 2,783	\$ 4,434	\$ 2,285	\$ 3,000	\$ 3,288	\$ 4,064	\$ 3,000	\$ 3,435	\$ 3,236	\$ 4,217	\$ 3,000	\$ 2,783
Net Cash Flows		(987)	(2,149)	(2,722)	(1,901)	(1,849)	(2,786)	(1,663)	(1,330)	(804)	(2,617)	(2,862)	(21,671)
Rifco Proceeds Reserve	[11]	-	-	-	1,500	-	-	-	-	-	-	-	1,500
DIP Advances	[12]	2,638	-	3,817	689	2,625	1,722	2,508	1,131	1,785	1,400	3,759	22,075
DIP Fees & Interest	[13]	-	-	(380)	-	-	-	(410)	-	-	-	(473)	(1,262)
<b>Ending Balance</b>		\$ 4,434	\$ 2,285	\$ 3,000	\$ 3,288	\$ 4,064	\$ 3,000	\$ 3,435	\$ 3,236	\$ 4,217	\$ 3,000	\$ 3,425	\$ 3,425
Cash Available for Sweep (Following Week)		(1,434)	-	(0)	(132)	(856)	(0)	(435)	(80)	(888)	(0)	(425)	(425)
<b>Cash Reserves</b>		\$ 3,000	\$ 2,285	\$ 3,000	\$ 3,156	\$ 3,208	\$ 3,000	\$ 3,000	\$ 3,156	\$ 3,329	\$ 3,000	\$ 3,000	\$ 3,000
<b>DIP Facility</b>													
Opening Balance		\$ 42,247	\$ 39,885	\$ 39,885	\$ 43,703	\$ 42,071	\$ 44,697	\$ 46,419	\$ 48,927	\$ 50,058	\$ 51,843	\$ 53,243	\$ 42,247
(+) Additional DIP Draws (Repayments)		(2,362)	-	3,817	(1,631)	2,625	1,722	2,508	1,131	1,785	1,400	3,759	14,755
<b>Closing Balance</b>		\$ 39,885	\$ 39,885	\$ 43,703	\$ 42,071	\$ 44,697	\$ 46,419	\$ 48,927	\$ 50,058	\$ 51,843	\$ 53,243	\$ 57,002	\$ 57,002
<b>Total Debt</b>													
DIP Balance		39,885	39,885	43,703	42,071	44,697	46,419	48,927	50,058	51,843	53,243	57,002	57,002
Revolver Balance		98,481	97,200	96,742	96,892	96,911	96,205	95,754	95,468	95,536	94,796	94,351	94,351
<b>Total Debt</b>		\$ 138,367	\$ 137,085	\$ 140,445	\$ 138,964	\$ 141,607	\$ 142,624	\$ 144,681	\$ 145,525	\$ 147,379	\$ 148,039	\$ 151,353	\$ 151,353

#### Notes to the Consolidated Cash Flow Forecast:

[1] The purpose of the Cash Flow Forecast is to estimate the liquidity requirements of Chesswood Group Limited and its subsidiaries ("Chesswood" or the "Company"). The forecast above is presented in United States Dollars. The forecast 11-week Cash Flow Forecast is on a cash-basis only and does not include timing differences for cash in transit.

[2] Receipts from Securitization Assets are based on Management's current expectations regarding loan/lease collections. Receipts have been forecast based on current payment terms, historical trends in collections, and expected write-offs. These receipts are payable to various securitization funders and are not considered funds of Chesswood.

[3] Receipts from Financing Instrument Receivables are based on Management's current expectations regarding loan/lease collections. Receipts have been forecast based on current payment terms, historical trends in collections, and expected write-offs. These receipts are collected on assets wholly-owned by Chesswood.

[4] Payments from Securitization Assets are based on Management's current expectations regarding securitization debt payments. Disbursements have been forecast based on current payment terms, historical trends in underlying asset collections, and expected write-offs.

[5] Collections Expense represents costs incurred to recover on previously charged-off loan/lease assets.

[6] Forecast Payroll is based on recent payroll amounts and future forecast amounts including the remaining estimates for the Court-approved KERP and accrued vacation pay.

[7] Forecast Other Operating Expenses includes general and administrative expenses including IT, Rent, Insurance, and other costs necessary for operation.

[8] Forecast Loan Repayments reflect the repayment of the Lenders' Pre-Filing Obligations from post-filing receipts in accordance with the DIP Term Sheet.

[9] Forecast Interest Expenses include interest payable on the Lenders' Pre-Filing Obligations.

[10] Forecast Restructuring Legal and Professional Costs include legal and professional fees associated with the CCAA proceedings and are based on estimates provided by the advisors.

[11] Represents the portion of the Rifco transaction proceeds held by the Monitor that is used to fund operations by the Company.

[12] Forecast DIP Advances are based on funding requirements and maintaining a minimum cash balance of approximately \$3.0 million.

[13] Forecast DIP Fees & Interest represents the cost of borrowing. Interest is payable on the first of the month.

**APPENDIX “B-1” – REDACTED PAWNEE SPA**

(see attached)

**NORTH MILL EQUIPMENT FINANCE, LLC  
AS THE PURCHASER**

**- AND -**

**CHESSWOOD U.S. ACQUISITION CO LTD.  
AS THE VENDOR**

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**SHARE PURCHASE AGREEMENT**

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**DATED FEBRUARY 28, 2025**

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## SHARE PURCHASE AGREEMENT

THIS AGREEMENT is made as of February 28, 2025:

**BETWEEN:**

**CHESSWOOD U.S. ACQUISITIONCO LTD.** (the “**Vendor**”)

- and -

**NORTH MILL EQUIPMENT FINANCE, LLC** (the “**Purchaser**”)

**WHEREAS:**

- A. On October 29, 2024, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made an Order (as amended and restated on November 7, 2024, and as otherwise amended and/or restated from time to time, the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act* (Canada), as amended (the “**CCAA**”) in respect of the Companies, among others (the proceedings commenced pursuant to the Initial Order, the “**CCAA Proceedings**”).
- B. Pursuant to the Initial Order, FTI Consulting Canada Inc. was appointed as Monitor with the authority to, among other things, for and on behalf of and in the name of the Vendor, execute certain transactions and enter into agreements with respect to the Business or the Property (each as defined in the Initial Order).
- C. On October 30, 2024, the Monitor, in its capacity as foreign representative, commenced proceedings under chapter 15 of title 11 of the United States Code (such proceedings, the “**U.S. Proceedings**”) for each of the CCAA Parties (as defined in the Initial Order) with the U.S. Bankruptcy Court for the district of Delaware (the “**U.S. Court**”). On November 25, 2024, the U.S. Court entered an Order which, among other things, recognized the CCAA Proceedings as a foreign main proceeding and gave effect to the Initial Order in the U.S.
- D. The Vendor is the owner of all of the issued and outstanding shares in the capital of each of Pawnee Leasing Corporation (“**Pawnee**”), a Colorado corporation, and Tandem Finance Inc., a Colorado corporation (collectively, the “**Companies**”).
- E. The Monitor obtained an order (the “**SISP Order**”) from the Court on December 19, 2024, authorizing the CCAA Parties to undertake a sale and investment solicitation process (the “**SISP**”) to solicit offers or proposals for a sale transaction in respect of certain of the CCAA Parties and authorizing and directing the Vendor, the Companies and the other applicable CCAA Parties to implement the SISP pursuant to the terms thereof.
- F. The Vendor has, in consultation with the Monitor, designated the Qualified Bid (as defined in the SISP) submitted by the Purchaser as a Successful Bid (as defined in the SISP) and the Parties desire to consummate the Transactions on the terms and subject to the conditions contained in this Agreement.
- G. The Vendor desires to sell, and Purchaser desires to purchase, all of the issued and outstanding shares in the capital of the Companies (the “**Purchased Shares**”) on and subject to the terms and conditions of this Agreement.

**NOW THEREFORE** in consideration of the covenants and mutual promises set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

In this Agreement:

**“2020-1 Securitization”** means the asset backed securitization program providing for the sale and servicing by Pawnee of leases and related assets to Pawnee Equipment Receivables (Series 2020-1) LLC, as purchaser and issuer of privately issued asset-backed notes (together with all related securitization transaction documents).

**“2021-1 Securitization”** means the asset backed securitization program providing for the sale and servicing by Pawnee of leases and related assets to Pawnee Equipment Receivables (Series 2021-1) LLC, as purchaser and issuer of privately issued asset-backed notes (together with all related securitization transaction documents).

**“2022-1 Securitization”** means the asset backed securitization program providing for the sale and servicing by Pawnee of leases and related assets to Pawnee Equipment Receivables (Series 2022-1) LLC, as purchaser and issuer of privately issued asset-backed notes (together with all related securitization transaction documents).

**“Action”** means any claim, counterclaim, application, action, suit, cause of action, Order, charge, indictment, prosecution, demand, complaint, grievance, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at Law or in equity and by or before a Governmental Entity.

**“Adjustment Amount”** has the meaning set out in Section 2.2(b).

**“Administration Charge”** has the meaning set out in the Initial Order.

**“Affiliate”** means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to **“control”** another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of Equity Interests, by contract or otherwise; and the term **“controlled”** shall have a similar meaning.

**“Agreement”** means this Share Purchase Agreement, including the preamble and the Recitals, and all the Schedules attached hereto, as they may be amended, restated or supplemented from time to time in accordance with the terms hereof.

**“Applicable Law”** means, with respect to any Person, property, transaction, event or other matter, any transnational, foreign or domestic, federal, provincial, territorial, state, local or municipal (or any subdivision of them) law (including common law and civil law), constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, by-law (zoning or otherwise), Order (including

any securities laws or requirements of stock exchanges and any consent decree or administrative Order) or other requirement having the force of law (“**Law**”), in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.

“**Approval and Reverse Vesting Order**” means an Order of the Court to be issued in the CCAA Proceedings, substantially in the form attached hereto as **Exhibit A**:

- (a) approving this Agreement and the Transactions;
- (b) vesting out of the Companies all Excluded Assets, Excluded Contracts, Excluded Liabilities and discharging all Encumbrances to Be Discharged; and
- (c) transferring the Purchased Shares to the Purchaser free and clear of any Encumbrances.

“**Assumed Liabilities**” means (a) Liabilities specifically and expressly designated by the Purchaser as assumed Liabilities on **Schedule A** attached hereto, as such Schedule may be amended, supplemented or restated by the Purchaser from time to time prior to the Closing; (b) Liabilities which relate to the Business under any Permits and Licenses or Permitted Encumbrances arising out of events or circumstances that occur after the Closing; (c) post-Closing Liabilities of the Companies arising solely from the Retained Assets; (d) Post-Filing Claims that remain outstanding as at the Closing Time; and (e) Liabilities of the Companies under all Retained Contracts, Securitizations and Forward Flow Transactions.

“**Authorization**” means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Entity having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person’s property or business and affairs (including any zoning approval, development permit or building permit) or from any Person in connection with any easements, contractual rights or other matters.

“**Bancorp Forward Flow Transaction**” means the forward flow purchase and sale program providing for the sale and servicing by Pawnee of Equipment leases and loans and related assets to the Bancorp Bank, N.A., as purchaser (together with all related transaction documents).

“**Bankruptcy Code**” means Chapter 11, of Title 11, of the United States Code, 11 U.S.C. §§ 101, *et seq.*

“**Books and Records**” means all books, records, files, papers, books of account and other financial data related to the Retained Assets and Assumed Liabilities in the possession, custody or control of the Companies and the Subsidiaries, including Tax Returns, sales and advertising materials, sales and purchase data, trade association files, research and development records, lists of present and former customers and suppliers, personnel, employment and other records, and all records, data and information stored electronically, digitally or on computer-related media.

“**Business**” means the business and operations carried on by the Companies and each of the Subsidiaries as at the date of this Agreement and as at the date of Closing.

“**Business Day**” means any day except Saturday, Sunday or any day on which banks are generally not open for business in Toronto, Ontario or New York, New York.

“**Business Intellectual Property**” means all Intellectual Property owned, purported to be owned, licensed, used, or held for use by the Companies in connection with the Business.

“**Castlelake Forward Flow Transaction**” means the forward flow purchase and sale program providing for the sale and servicing by Pawnee of Equipment leases and loans and related assets to CCM Loan & Lease LLC, as purchaser (together with all related transaction documents).

“**CCAA**” has the meaning set out in the Recitals.

“**CCAA Parties**” has the meaning set out in the Initial Order.

“**CCAA Proceedings**” has the meaning set out in the Recitals.

“**Charge-Off Expense**” means the aggregate charge-off expense of the Companies and the Subsidiaries (other than Pawnee Titling Trust) (including, for greater certainty, both unsecuritized and securitized charge-off expense, as applicable), determined using methodology consistent with past practices used by the Vendor in the preparation of the Financial Statements; provided, that any charge-off expense already reflected as Inventory for Liquidation on the Financial Statements shall not be considered a “Charge-Off Expense” for purposes of this Agreement.

“**Charge-Off Payment**” has the meaning set out in Section 2.7.

“**CHW-PLC Portfolio**” means Equipment loans, leases and related assets of the Companies (including all related rights (whether held directly or in trust for the benefit of the Companies) in related Equipment, electronic chattel paper, collections, related security or insurance) that as of the Closing Date have not been sold, transferred, financed or securitized, or terminated, cancelled, satisfied or discharged, and excludes, for greater certainty, all Equipment loans, leases and related assets (whether held directly or in trust for the benefit of a third party) that (a) are included in the Securitizations or any other securitization, credit facility or financing transaction between a Company and any third party or (b) were previously sold by a Company pursuant to the Forward Flow Transactions.

“**Claims**” means all debts, obligations, expenses, costs, damages, losses, Taxes, Actions, Liabilities, Encumbrances (other than Permitted Encumbrances), accounts payable, indebtedness, contracts, leases, agreements, undertakings, claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise).

“**Closing**” means the completion of the Transactions in accordance with the Closing Sequence and the other provisions of this Agreement.

“**Closing Date**” means the date on which Closing occurs.

“**Closing Deliverables**” means all contracts, agreements, certificates and instruments required by this Agreement to be delivered at or before the Closing in order to effect the Transactions.

“**Closing Sequence**” has the meaning set out in Section 7.2.

“**Closing Statement**” has the meaning set out in Section 2.4.

“**Closing Time**” means the time on the Closing Date at which Closing occurs, as evidenced by the Monitor’s Certificate.

“**Code**” means the United States Internal Revenue Code of 1986, as amended.

“**Companies**” has the meaning set out in the Recitals, and “**Company**” means either one of them.

“**Computer Software**” means, collectively, any (a) computer programs, including any software implementations of algorithms, models and methodologies, whether in source code or object code; (b) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise; (c) descriptions, flow-charts and other work product used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons; and (d) all documentation, including user manuals and other training documentation related to any of the foregoing.

“**Conditions Certificates**” has the meaning set out in Section 8.4.

“**Contract Data**” means the spreadsheet containing loan and lease contract data, as at a particular date, in respect of the CHW-PLC Portfolio, prepared by management on a basis consistent with the spreadsheet titled “Pawnee Full Portfolio 11-30-24” under the subfolder “Pawnee – Data Tapes and Losses” made available in the Data Site prior to the date of this Agreement.

“**Contracts**” means all contracts, agreements, deeds, licenses, leases, obligations, commitments promises, undertakings, engagements, understandings and arrangements to which a Company is a party to or by which a Company is bound or under which a Company has, or will have at Closing, any right or liability or contingent right or liability (in each case, whether written or oral, express or implied) relating to the Business, including any Personal Property Leases, any Real Property Leases and any Contracts in respect of Employees.

“**Copyrights**” means all copyrights, whether in published or unpublished works, which include: (a) literary works and any other original works of authorship fixed in any tangible medium of expression; (b) databases, data collections and rights therein, software and website content; (c) rights to compilations, collective works and derivative works of any of the foregoing; and (d) registrations and applications for registration for any of the foregoing and any renewals or extensions thereof.

“**Court**” has the meaning set out in the Recitals.

“**Cure Costs**” means all monetary defaults in relation to the Retained Contracts as at the date of Closing, other than those arising by reason only of a CCAA Party’s insolvency, the commencement of the CCAA Proceedings or the U.S. Proceedings by the CCAA Parties, or a Company’s failure to perform a non-monetary obligation.

“**Current CHW-PLC Portfolio NIL**” means, as at a particular date, the determination of aggregate NIL in respect of the CHW-PLC Portfolio, calculated as: (a) the sum of the “Current NIL” figures in respect of all applicable loan and lease assets and related rights (i.e., filtered by “Branch” to limit to “CHW-PLC”) as at such date as set forth in the Contract Data determined as at such date; plus (b) the sum of the “Current Interim Rent” figures in respect of all applicable loan and lease assets and related rights (i.e., filtered by “Branch” to limit to “CHW-PLC”) as set forth in the Contract Data determined as at such date.

“**Data Site**” means the “Chesswood Group Virtual Data Room” Caplinked virtual data room with respect to the Companies established by the Monitor in connection with the SISP.

“**Deposit**” means the amount of \$ [REDACTED].

“**DIP Charge**” has the meaning set out in the Initial Order.

**“Discharged”** means, in relation to any Encumbrance against any Person or upon any asset, undertaking or property, including all proceeds thereof, the full, final, complete and permanent waiver, release, discharge, cancellation, termination and extinguishment of such Encumbrance against such Person or upon such asset, undertaking or property and all proceeds thereof.

**“Disclosure Schedules”** means, collectively, all of the schedules to this Agreement.

**“Dispute Resolution Firm”** has the meaning set out in Section 2.5(b).

**“Domain Name”** means all domain names, uniform resource locations (URLs) and any other identifier or address associated with the internet.

**“Employees”** means all individuals employed in the United States by a Company as at the Closing Time, on a full-time, part-time or temporary basis, including any unionized employees and those employees on disability leave, parental leave or other absence and **“Employee”** means any one of them.

**“Encumbrances”** means all claims, Liabilities (direct, indirect, absolute or contingent), obligations, prior claims, right of retention, liens, security interests, floating charges, mortgages, pledges, assignments, conditional sales, warrants, adverse claims, charges, hypothecs, trusts, deemed trusts (statutory or otherwise), judgments, writs of seizure or execution, notices of sale, contractual rights (including purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual rights), restrictive covenants, easements, servitudes, rights of way, licenses, leases, encroachments, and all other encumbrances, whether or not they have been registered, published or filed and whether secured, unsecured or otherwise.

**“Encumbrances to Be Discharged”** means all Encumbrances on the Retained Assets other than Permitted Encumbrances, including without limitation, the Administration Charge, the KERP Charge, the DIP Charge, and any other charge granted by the Court in the CCAA Proceedings.

**“Equipment”** means all vehicles and equipment, together with each and every part, accessory, component and any equipment installed therein or attached thereto, owned by a Company and all other equipment for which a Company is the lessor.

**“Equity Interests”** means (a) any partnership interests, (b) any limited liability company interests or units, (c) any shares of capital stock, (d) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing entity, (e) any Options or commitments of any kind or character relating to, or entitling any Person or entity to purchase or otherwise acquire limited liability company interests or units, capital stock, or any other equity securities, (f) any warrants, (g) any securities convertible into or exercisable or exchangeable for partnership interests, limited liability company interests or units, capital stock, or any other equity securities, or (h) any other interest classified as an equity security of a Person.

**“Estimated Adjustment Amount”** has the meaning set out in Section 2.3.

**“Estimated Closing Statement”** has the meaning set out in Section 2.3.

**“Estimated Purchase Price”** has the meaning set out in Section 2.3.

**“Excluded Assets”** means:

- (a) the Tax records and returns, and books and records pertaining thereto and other documents,

in each case, that primarily or solely relate to any of the Excluded Liabilities or Excluded Assets, provided that a Company may retain original copies of any such records if required by Applicable Laws and provided further that a Company may take copies of all Tax records and books and records pertaining to such records to the extent necessary or useful for the carrying on of the Business after Closing, including the filing of any Tax Return;

- (b) such portion of communications, information or records, written or oral, that are related to (i) the transactions contemplated by this Agreement, (ii) the sale of the Purchased Shares, (iii) any Excluded Asset, (iv) any Excluded Contract, or (v) any Excluded Liability (and for certainty does not include the communications, information and records related to Retained Assets, Retained Contracts or Assumed Liabilities);
- (c) all rights, covenants, obligations and benefits under this Agreement or the Closing Deliverables that survive Closing;
- (d) the Excluded Contracts;
- (e) the Equity Interests of Bishop Holdings LLC;
- (f) those assets listed in **Schedule B** attached hereto; and
- (g) Claims solely and directly related to (i) Excluded Assets referenced in (a) through (f) above, (ii) the Excluded Contracts or (iii) the Excluded Liabilities.

“**Excluded Contracts**” means all Contracts that are not Retained Contracts, including those Contracts listed in **Schedule C** attached hereto, an amended list of which may be delivered by the Purchaser in accordance with Section 5.12 and, for greater certainty, includes any Removed Contract.

“**Excluded Liabilities**” means all Claims of or against a Company as at the Closing Time, other than Assumed Liabilities, including, *inter alia*, the non-exhaustive list of those certain Liabilities set forth in **Schedule D** attached hereto, all pre-Closing Claims, including without limitation, any amounts owing in respect of Taxes for a Pre-Closing Tax Period (including Taxes of any Person for which the Company is held liable by reason of contract, assumption, transferee liability, operation of Applicable Law, Treasury Regulation Section 1.1502-6(a) (or any predecessor or successor thereof or any analogous or similar provision of Applicable Law) or otherwise), any and all Claims relating to any change of control provision (or a provision restricting the transfer of equity in a Company) that may arise in connection with the change of control contemplated by the Transactions and to which a Company may be bound as at the Closing Time, all Claims relating to or under the Excluded Contracts and Excluded Assets, and Liabilities for all Employees whose employment with a Company is terminated on or before Closing and all Liabilities to or in respect of any Affiliates of the Vendor other than the Companies or any of the Subsidiaries. Without limiting the foregoing, Excluded Liabilities includes any Claims that are not Assumed Liabilities.

“**EY**” means Ernst & Young Global Limited.

“**EY Evaluation**” means the review by EY of the CHW-PLC Portfolio, on a contract-by-contract basis, to determine the balance of the Equipment loan and lease assets measured at NIL as of November 30, 2024 using methodology consistent with past practices used by the Companies in the preparation of the Contract Data, based on a review of documents provided pursuant to Section 5.11(c) representing a random sample of 10% of the aggregate number of loan and lease contracts with NIL in excess of \$20,000 outstanding as of November 30, 2024, as determined by EY using methodology giving equal chance of selection for each item (such methodology to be described in the EY Evaluation).

“**Filing Date**” means October 29, 2024.

“**Financial Statements**” means the unaudited consolidated fiscal year-to-date financial statements of the Vendor titled “11-2024 Financials” under the subfolder “Pawnee – Financial Information – Internal Financial Statements” made available in the Data Site prior to the date of this Agreement, as at and for the eleven (11) month period ended November 30, 2024, which includes a consolidated balance sheet and a consolidated income statement.

“**Forward Flow Transactions**” means, collectively, (a) the Bancorp Forward Flow Transaction, (b) the Castlelake Forward Flow Transaction, and (c) the Varde Forward Flow Transaction.

“**Governmental Entity**” means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them, or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

“**Independent Accountant**” has the meaning set out in Section 5.11(b).

“**Independent Accountant Evaluation**” means the review, if any, by the Independent Accountant of the CHW-PLC Portfolio, on a loan-by-loan basis, in accordance with Section 6.13(2) to determine the balance of the Equipment loan and lease assets measured at NIL as of November 30, 2024 using methodology consistent with past practices used by the Companies in the preparation of the Contract Data, based on a review of documents provided pursuant to Section 5.11(c) representing a random sample of 10% of the aggregate number of loan and lease contracts with NIL in excess of \$20,000 outstanding as of November 30, 2024, but excluding any loan or lease contracts included in EY’s review in connection with the EY Evaluation, as determined by the Independent Accountant using methodology giving equal chance of selection for each item (such methodology to be described in the Independent Accountant Evaluation).

“**Initial Order**” has the meaning set out in the Recitals.

“**Intellectual Property**” means (a) Copyrights, Domain Names, Patents, Trademarks, goodwill, and any registrations, applications and renewals for any of the foregoing, and all other intellectual property rights in inventions, Trade Secrets, Computer Software, ideas, discoveries, improvements, developments, rights to social media accounts and all other proprietary rights, together with all Actions, damages and rights for past, present and future infringement, misappropriation, unauthorized use or disclosure, or other violation thereof.

“**Interim Period**” means the period from the date of this Agreement until the earlier of: (a) the Closing Time; and (b) the termination of this Agreement in accordance with Article 9.

“**Inventory for Liquidation**” means the repossessed inventory held by the Companies and the Subsidiaries for liquidation (which is included in the “Prepaid Expenses” on the balance sheet included in the Financial Statements), determined in using methodology consistent with past practices used by the Vendor in the preparation of the Financial Statements.

“**KERP Charge**” has the meaning given to such term in the Order of the Court dated December 19, 2024, in respect of, among other things, a Key Employee Retention Plan.

“**Law**” has the meaning set out in the definition of “**Applicable Law**”.



“**Liability**” means, with respect to any Person, any liability or obligation (contractual, legal or otherwise) of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“**Material Adverse Effect**” means any result, occurrence, fact, change, event or effect (whether or not constituting a breach of a representation, warranty or covenant set forth in this Agreement) that, individually or in the aggregate with any such other results, occurrences, facts, changes, events or effects (considered together with all other matters that would constitute exceptions to the representations and warranties set forth in this Agreement but for the presence of “Material Adverse Effect” or other materiality or knowledge qualifications, or similar qualifications, in such representations and warranties), (a) had or could reasonably be expected to have a material adverse effect on the Retained Assets and the Assumed Liabilities, taken as a whole, or (b) prevents or materially impairs or delays, or could reasonably be expected to prevent or materially impair or delay, the ability of the Vendor to consummate the transactions contemplated by this Agreement or any Closing Deliverable to which the Vendor or a Company is a party or perform their duties hereunder or thereunder. For the avoidance of doubt, the Parties agree that the terms “material,” “materially” and “materiality” as used in this Agreement with an initial lower case “m” shall have their respective customary and ordinary meanings, without regard to the meaning ascribed to the term Material Adverse Effect.

“**Maximum Charge-Off Payment**” has the meaning set out in Section 2.7.

“**Monitor**” means FTI Consulting Canada Inc. in its capacity as monitor of the Vendor and the Companies in the CCAA Proceedings, and shall include, as the context so requires, FTI Consulting Canada Inc., in its capacity as monitor or trustee in bankruptcy of ResidualCo to the extent subsequently appointed as such.

“**Monitor’s Certificate**” means the certificate, substantially in the form attached as Schedule “A” to the Approval and Reverse Vesting Order, to be delivered by the Monitor in accordance with Section 8.4, and thereafter filed by the Monitor with the Court.

“**NIL**” means total net investment in Equipment loans, leases and equipment finance leases (EFAs), using methodology consistent with past practices used by the Companies in the preparation of the Contract Data (for greater certainty, excluding applicable unearned interim rent).

“**NIL Adjustment**” has the meaning set out in Section 2.2(b)(v).

“**NIL Percentage Variation**” means the ratio, expressed as a percentage, calculated as: (a) (i) \$ [REDACTED] (being Current CHW-PLC Portfolio NIL as at November 30, 2024) less (ii) NIL with respect to the CHW-PLC Portfolio as of November 30, 2024 as determined pursuant to the EY Evaluation or the Independent Accountant Evaluation, as applicable; divided by (b) \$ [REDACTED]. For greater certainty, in the event that an Independent Accountant Evaluation is required in accordance with Section 6.13(2), only NIL with respect to the CHW-PLC Portfolio as of November 30, 2024 as determined by the Independent Accountant Evaluation shall be relevant for purposes of the calculation of the NIL Adjustment.

“**Objection Notice**” has the meaning set out in Section 2.5(a).

“**Options**” means any subscription, option, right, security, contract, commitment, understanding, stock appreciation right, phantom stock option, profit participation or arrangement by which a Person is bound to issue any additional shares of its capital stock or an interest in the equity or equity appreciation of a

Person or rights pursuant to which any Person has a right to purchase capital stock or an equity interest in another Person.

“**Order**” means any order, directive, stipulation, charge, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Entity (in each case whether preliminary, interim or final).

“**Organizational Documents**” shall mean, with respect to any Person (other than an individual), the articles or certificate of incorporation, articles or certificate of formation, articles or certificate of organization, articles of association and other applicable organizational or charter documents relating to the formation of such entity and the bylaws, limited liability company agreement, operating agreement, partnership agreement and other applicable documents relating to the operation, governance or management of such entity.

“**Outside Date**” means March 31, 2025, or such later date as the Parties may mutually agree.

“**Party**” means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and “**Parties**” means more than one of them.

“**Patents**” means all worldwide patents, industrial and utility models, industrial designs, petty patents, patents of importation, patents of addition, certificates of invention, and any other indicia of invention ownership issued or granted by any Governmental Entity, including all provisional applications, priority and other applications, divisionals, continuations (in whole or in part), extensions, reissues, re-examinations or equivalents or counterparts of any of the foregoing, and all inventions disclosed in the foregoing.

“**Pawnee**” has the meaning set out in the Recitals.

“**Permits and Licenses**” means the permits, licenses, Authorizations, approvals or other evidence of authority Related to the Business or issued to, granted to, conferred upon, or otherwise created for, a Company, as applicable.

“**Permitted Encumbrances**” means the Encumbrances related to the Retained Assets listed on Schedule E attached hereto.

“**Person**” is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Entity, and the executors, administrators or other legal representatives of an individual in such capacity.

“**Personal Information**” means (in addition to all information defined or described by a Company or any of the Subsidiaries as “personal information”, “personally identifiable information”, “PII” or using any similar term in a privacy policy or other public-facing statement of a Company or any of the Subsidiaries) all information relating to or capable of being associated with an identified or identifiable natural Person, household or device, including (a) information that identifies, could be used to identify or is otherwise identifiable with an individual; (b) any data regarding an individual’s activities online or on a mobile or other application (e.g., searches conducted, web pages or content visited or viewed); and (c) internet protocol addresses or other persistent identifiers.

“**Personal Property**” means any and all vehicles, equipment, parts, inventory of spare parts, parts and supplies, furniture and any other tangible personal property in which a Company has a beneficial right, title or interest (including those in possession of suppliers, customers and other third parties).

“**Personal Property Lease**” means a lease, equipment lease, financing lease, conditional sales contract and other similar agreement relating to Personal Property to which a Company is a party or under which it has rights to use Personal Property.

“**PLC Securitization**” means the credit facility or securitization program providing for the sale and servicing by Pawnee of leases and related assets to PLC Equipment Finance Fund LLC, as purchaser and borrower under a loan and security agreement with Waypoint Private Credit Fund LP, as lender (together with all related transaction documents).

“**Post-Filing Claims**” means any or all liability or obligation of the Companies to suppliers or service providers pursuant to Retained Contracts that arise during and in respect of the period commencing on the Filing Date and ending on the day immediately preceding the Closing Date in respect of services rendered or supplies provided to the Companies in the ordinary course of business during such period pursuant to existing arrangements with such suppliers or service providers.

“**Pre-Closing Tax Period**” means (a) each Tax period that ends on or before the Closing Date, and (b) in respect of a Straddle Period, the portion of the Straddle Period ending on and including the Closing Date.

“**Purchase Price**” has the meaning set out in Section 2.2.

“**Purchased Shares**” has the meaning set out in the Recitals.

“**Purchaser**” has the meaning set out in the preamble hereto, and includes any successor or permitted assignee thereof.

“**Purchaser Released Parties**” has the meaning set out in Section 5.7.

“**Real Property Leases**” means all leases, subleases and other occupancy Contracts with respect to all real or immovable property, and all plants, buildings, structures, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) thereon, forming part thereof or benefiting such real or immovable property.

“**Related to the Business**” means (a) used in, (b) arising from, or (c) otherwise related to, the Business or any part thereof.

“**Released Claims**” means all Claims and Orders, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including “claims” as defined in the CCAA and including fees and disbursements of legal counsel on a full indemnity basis, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.

“**Removed Contract**” means any Contract included as a Retained Contract that is removed by the Purchaser from Schedule G attached hereto by the Closing Date pursuant to Section 5.12 and therefore becoming an Excluded Contract; and “**Removed Contracts**” means all such Contracts.

“**Representative**” when used with respect to a Person means each director, officer, employee, consultant, equity holder, member, partner, consultant, investor, contractor, subcontractor, financial adviser, legal counsel, accountant and other agent, advisor or representative of that Person.

“**ResidualCo**” means a corporation to be incorporated by the Companies in advance of Closing, to which the Excluded Assets, Excluded Contracts and Excluded Liabilities will be transferred to as part of the Closing Sequence, which shall have no issued and outstanding shares.

“**Retained Assets**” means all assets, properties, Business Intellectual Property, undertakings and rights, of every kind and nature, whether real, personal or mixed, tangible or intangible, owned by a Company or to which a Company is entitled as of the Closing or which a Company is holding on behalf of a third party pursuant to a Retained Contract, Securitization or a Forward Flow Transaction, including, without limitation, those assets, properties, undertakings and rights set forth on **Schedule F** attached hereto, as such Schedule may be amended, supplemented or restated by the Purchaser from time to time prior to the Closing, and in each case, shall not include the Excluded Assets.

“**Retained Contracts**” means all Contracts listed on **Schedule G** attached hereto, as such Schedule may be amended, supplemented or restated by the Purchaser from time to time prior to the Closing.

“**Securitization Spill Amounts**” means the aggregate amount of securitization collections identified on the monthly servicer reports with respect to the Securitizations (other than the SunLife Securitization) as “To the Issuer, any remaining amounts”, and on the monthly servicer reports with respect to the SunLife Securitization as “Excess”, determined on a basis consistent with the monthly servicer reports made available in the Data Site prior to the date of this Agreement, in each case, only to the extent such amounts have been the subject of a distribution to Pawnee in respect of the equity held by Pawnee in any of the Subsidiaries.

“**Securitizations**” means, collectively, the 2020-1 Securitization, the 2021-1 Securitization, the 2022-1 Securitization, the SunLife Securitization and the PLC Securitization.

“**SISP**” has the meaning set out in the Recitals.

“**SISP Order**” has the meaning set out in the Recitals.

“**Straddle Period**” means any Tax period that includes the Closing Date but does not end on the Closing Date.

“**Subsidiary**” means each of Pawnee Receivable Company LLC, a Delaware limited liability company, PLC Equipment Finance Fund LLC, a Delaware limited liability company, Pawnee Receivable Fund III LLC, a Delaware limited liability company, Pawnee Equipment Receivables (2020-1) LLC, a Delaware limited liability company, Pawnee Equipment Receivables (2021-1) LLC, a Delaware limited liability company, Pawnee Equipment Receivables (2022-1) LLC, a Delaware limited liability company, and Pawnee Titling Trust, a Delaware trust, and “**Subsidiary**” means any one of them.

“**Successful Bid**” has the meaning set out in the SISP.

“**SunLife Securitization**” means the credit facility or securitization program providing for the sale and servicing by Pawnee of leases and related assets to Pawnee Receivable Fund III LLC, as purchaser and borrower under a loan and security agreement with lenders including Sun Life Assurance Company of Canada (together with all related transaction documents).

“**Target Closing Date**” means March 28, 2025, or such later date as the Parties may mutually agree.

“**Tax Returns**” means all returns, reports, declarations, designations, forms, elections, notices, filings, information returns, and statements in respect of Taxes that are filed or required to be filed with any

applicable Governmental Entity, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form.

“**Taxes**” or “**Tax**” means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, global minimum taxes, mining taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, property transfer taxes, escheat obligations, unclaimed property obligations, capital taxes, net worth taxes, production taxes, sales taxes, goods and services taxes, harmonized sales taxes, use taxes, license taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, governmental pension plan premiums and contributions, social security premiums, workers’ compensation premiums, employment/unemployment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add on minimum taxes, customs duties, import and export taxes, countervailing and anti-dumping duties or other taxes of any kind whatsoever imposed or charged by any Governmental Entity and any instalments in respect thereof including amounts or refunds owing in respect of any form of COVID-19 economic support, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person, by contract or otherwise, whether disputed or not.

“**Trade Secret**” means business or technical information, including any formula, pattern, program, device, compilation of information, method, technique, or process that: (a) derives independent actual or potential commercial value from not being generally known or readily ascertainable through independent development or reverse engineering by Persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

“**Trademarks**” means the rights granted a Person under state or federal laws of the United States or other nations, to use all the words, names, symbols, sounds, or colors it uses to identify itself as the source of the goods or services it provides in commerce, whether such words, names, symbols, sounds, or colors are used as a trademark, trade dress, service mark, logo, trade name, corporate name, or assumed name, and whether or not such are registered under state or national trademark laws, and including all applications to register or renew the same.

“**Transactions**” means all of the transactions contemplated by this Agreement, including:

- (a) the assignment by the Companies to ResidualCo of the Excluded Assets, Excluded Contracts and Excluded Liabilities; and
- (b) the transfer of the Purchased Shares by the Vendor to the Purchaser in consideration for the Purchase Price.

“**Transfer Taxes**” means all applicable Taxes payable upon or in connection with the Transactions and any filing, registration, recording or transfer fees payable in connection with the instruments of transfer provided for in this Agreement (for greater certainty, excluding any income Taxes of the Vendor).

“**Treasury Regulations**” means the United States Treasury Regulations promulgated under the Code.

“**U.S. Court**” has the meaning set out in the Recitals.

“**U.S. Proceedings**” has the meaning set out in the Recitals.

“**Varde Forward Flow Transaction**” means the forward flow purchase and sale program providing for the sale and servicing by Pawnee of Equipment leases and loans and related assets to VP Polus Trust, as purchaser (together with all related transaction documents).

“**Vendor**” has the meaning set out in the preamble hereto.

“**Vendor Released Parties**” has the meaning set out in Section 5.6.

“**Vesting Recognition Order**” means an Order of the U.S. Court entered in the U.S. Proceedings in form and substance acceptable to the Vendor, the Purchaser and the Monitor, each acting reasonably, which shall, among other things, recognize and give effect to the Approval and Reverse Vesting Order and otherwise approve this Agreement and the Transactions, including the sale of the Purchased Shares free and clear of Encumbrances in accordance with, and subject to, Sections 363(b), (f) and (m) of the Bankruptcy Code.

## **1.2 Actions on Non-Business Days**

If any payment is required to be made or other action (including the giving of notice) is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

## **1.3 Currency and Payment Obligations**

Except as otherwise expressly provided in this Agreement, all dollar amounts referred to in this Agreement are stated in the lawful currency of the United States.

## **1.4 Calculation of Time**

In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 11:59 p.m. Eastern time on the last day of the period. If any period of time is to expire hereunder on any day that is not a Business Day, the period shall be deemed to expire at 11:59 p.m. Eastern time on the next succeeding Business Day.

## **1.5 Additional Rules of Interpretation**

- (a) *Consents, Agreements, Approval, Confirmations and Notice to be Written.* Any consent, agreement, approval or confirmations from, or notice to, any party permitted or required by this Agreement shall be written consent, agreement, approval, confirmation, or notice, and email shall be sufficient.
- (b) *Gender and Number.* In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (c) *Headings and Table of Contents.* The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.
- (d) *Section References.* Unless the context requires otherwise, references in this Agreement to Articles, Sections or Schedules are to Articles or Sections of this Agreement, and Schedules to this Agreement.

- (e) *Words of Inclusion.* Wherever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation” and the words following “include”, “includes” or “including” shall not be considered to set forth an exhaustive list.
- (f) *References to this Agreement.* The words “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.
- (g) *Statute References.* Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision and also include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith.
- (h) *Document References.* All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules attached thereto.

## **1.6 Disclosure Schedules**

All section headings in the Disclosure Schedules correspond to the sections of this Agreement. Information provided in any section of the Disclosure Schedules shall be incorporated by reference to other Disclosure Schedules to the extent that it is reasonably apparent on its face (without investigation or reference to underlying documentation) that such incorporated disclosure relates to the subject matter of the Disclosure Schedules into which it is being incorporated pursuant to this sentence, whether or not such exception or qualification is expressly cross-referenced. Unless the context otherwise requires, all capitalized terms used in the Disclosure Schedules shall have the respective meanings assigned to such terms in this Agreement. No reference to or disclosure of any item or other matter in the Disclosure Schedules shall be construed as an admission by any party to any third party whatsoever. No disclosure in the Disclosure Schedules relating to any possible breach or violation of any Contract or Law shall be construed as an admission or indication that any such breach or violation exists or has actually occurred to any third party (other than the Purchaser). The inclusion of any information in the Disclosure Schedules shall not be deemed to be an admission or acknowledgment by the Vendor that in and of itself, such information is material to or outside the ordinary course of the business or is required to be disclosed on the Disclosure Schedules. No disclosure in the Disclosure Schedules shall be deemed to create any rights in any third party (other than the Purchaser).

## **ARTICLE 2**

### **PURCHASE OF PURCHASED SHARES AND ASSUMPTION OF LIABILITIES**

#### **2.1 Deposit**

As a deposit for the Purchase Price, the Purchaser paid the Monitor on January 21, 2025 by wire transfer of immediately available funds, the Deposit. The Deposit shall be held in escrow by the Monitor in a non-interest bearing account on behalf of the Vendor and be dealt with in accordance with the terms of the SISP and this Agreement.

## 2.2 Purchase Price; Adjustment to Purchase Price

- (a) The consideration payable by the Purchaser to the Vendor for the Vendor's right, title and interest in and to the Purchased Shares (the "**Purchase Price**") shall be \$ [REDACTED] less the Adjustment Amount.
- (b) The "**Adjustment Amount**" shall be an amount equal to:
- (i) *NIL Roll Forward Adjustment.* [REDACTED]  
[REDACTED]; plus
  - (ii) *Equity Residual Roll Forward Adjustment.* [REDACTED]  
[REDACTED]; plus
  - (iii) [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]; plus
  - (iv) *Cash Adjustment.* The aggregate amount of cash, if any, paid during the period following February 28, 2025, to the Closing as a dividend, distribution, return of capital, advance of intercompany loan, repayment of intercompany loan or similar payment by the Companies and the Subsidiaries, collectively, to an Affiliate of the Companies (other than the Companies or the Subsidiaries); plus
  - (v) *Existence Test Adjustment.* An amount equal to (A) Current CHW-PLC Portfolio NIL as at February 28, 2025, multiplied by (B) the greater of: (x) the NIL Percentage Variation less 2.5%; and (y) zero (the "**NIL Adjustment**").

## 2.3 Preparation and Delivery of Estimated Closing Statement

The Parties acknowledge that it is not possible to determine the Purchase Price until the Closing Statement is accepted and approved in accordance with Section 2.5. Accordingly, not more than ten (10) and no fewer than three (3) Business Days prior to the Closing Date, the Vendor shall prepare and deliver to the Purchaser a statement (the "**Estimated Closing Statement**"), setting forth the Vendor's good faith estimate of the Adjustment Amount (the "**Estimated Adjustment Amount**"); provided that, for purposes of preparing the Estimated Closing Statement: (x) the NIL Adjustment shall be zero in the event that the EY Evaluation has not been delivered to the Vendor prior to such date; and (y) the NIL Adjustment shall be an amount equal to Current CHW-PLC Portfolio NIL as at February 28, 2025 multiplied by 2.5%, in the event that the EY Evaluation identifies a NIL Percentage Variation in excess of 5.0%. Concurrently with its delivery to the Purchaser of the Estimated Closing Statement, the Vendor shall deliver to the Purchaser its calculation of the estimated Purchase Price (the "**Estimated Purchase Price**"), which shall be an amount equal to \$ [REDACTED] less the Estimated Adjustment Amount.



## 2.4 Preparation and Delivery of Closing Statement

As soon as reasonably practicable after, and in no event later than sixty (60) days after, the Closing Date, the Purchaser shall prepare and deliver to the Vendor a determination of the Adjustment Amount (the “**Closing Statement**”); provided, however, that in the event that the Independent Accountant Evaluation is required to be prepared pursuant to Section 5.11(b), then the Closing Statement shall be delivered to the Vendor within fifteen (15) Business Days following the completion of the Independent Accountant Evaluation, if later. The Closing Statement will include a calculation of all amounts set forth in Sections 2.2(b)(i), (ii), (iii), (iv) and (v) above, together with reasonable supporting documentation. For purposes of the determination of the Adjustment Amount, any amounts with respect to Securitization Spill Amounts shall be deemed to be such amounts as are set forth on the applicable monthly servicer report, including any monthly servicer report that was delivered pursuant to Section 5.10. The Parties shall cooperate fully in the preparation of the Closing Statement.

## 2.5 Objection to Closing Statement

- (a) *Delivery of Objection Notice.* If the Vendor objects in good faith to any aspect of the Closing Statement, the Vendor shall give written notice of such objection to the Purchaser (the “**Objection Notice**”) within thirty (30) days after the delivery to the Vendor of the Closing Statement. The Objection Notice shall, for each such objection, set out in reasonable detail the reasons for the Vendor’s objection as well as the amount in dispute and reasonable details of the proposed calculation of such amount. If the Vendor does not so notify the Purchaser within such thirty (30) day period, the Vendor will be deemed to have accepted and approved the Closing Statement, which will be deemed final, conclusive and binding upon the Parties.
- (b) *Resolution of Disputes.* The Purchaser shall give the Vendor and its representatives reasonable access to the Books and Records used in the preparation of the Closing Statement to enable the Vendor to exercise its rights under this Section 2.5(b). The Vendor and the Purchaser shall attempt to resolve all matters in dispute set out in the Objection Notice within twenty (20) days of receipt of the Objection Notice by the Purchaser. Any items in dispute not resolved within such twenty (20) day period shall be referred as soon as possible after the end of such period by the Vendor and the Purchaser to a United States nationally recognized independent firm of chartered accountants as is mutually acceptable to the Purchaser and the Vendor (the “**Dispute Resolution Firm**”). The Dispute Resolution Firm shall act as expert and not as arbitrator and shall be required to determine the items in dispute that have been referred to it as soon as reasonably practicable but, in any event, not later than thirty (30) days after the date of referral of the dispute to it. In making its determination, the Dispute Resolution Firm will only consider the issues in dispute placed before it. The Vendor and the Purchaser shall provide or make available all documents and information as are reasonably required by the Dispute Resolution Firm to make its determination. The determination of the Dispute Resolution Firm shall be final and binding on the Parties and the Closing Statement shall be (or not be) adjusted in accordance with such determination.
- (c) *Audit Expenses.* The costs and expenses of the Dispute Resolution Firm shall be allocated based upon the percentage which the portion of the contested amount not awarded to each party bears to the amount actually contested by such party in the presentation to the Dispute Resolution Firm. For example, if the Vendor submits an Objection Notice for \$1,000, and if the Purchaser contests only \$500 of the amount claimed by the Vendor, and if the Dispute Resolution Firm ultimately resolves the dispute by awarding the Vendor \$300 of the \$500

contested, then the costs and expenses of the Dispute Resolution Firm will be allocated 60% (*i.e.*, 300/500) to the Purchaser and 40% (*i.e.*, 200/500) to the Vendor.

- (d) *Adjustment to Closing Statement.* The Closing Statement shall be deemed to be adjusted to reflect the resolution of the Parties with respect to any dispute or the final determination of the Dispute Resolution Firm.

## 2.6 Purchase Price Adjustment

Subject to Section 2.5, within ten (10) days after the Closing Statement becoming final, conclusive and binding upon the Parties pursuant to this Agreement:

- (a) if the Purchase Price, as finally determined and set out in the Closing Statement, is less than the Estimated Purchase Price, then the Vendor shall pay to the Purchaser, by wire transfer of immediately available funds to an account specified by the Purchaser, an amount equal to such difference; or
- (b) if the Purchase Price, as finally determined and set out in the Closing Statement, is greater than the Estimated Purchase Price, then the Purchaser shall pay to the Vendor, by wire transfer of immediately available funds to an account specified by the Vendor, an amount equal to such difference.

## 2.7 Charge-Off Payments

Following the Closing, the Vendor shall be entitled to an amount equal to: (a) 50% of all recoveries by the Companies and the Subsidiaries (for purposes of this Section 2.7, other than Pawnee Titling Trust) from time to time in respect of amounts previously reported as Charge-Off Expenses by the Companies and the Subsidiaries (other than those relating to amounts realized from the sale of Inventory for Liquidation); provided, that any recoveries owned by the PLC Securitization or the 2022-1 Securitization will be excluded from any amount due to the Vendor pursuant to this Section 2.7, less (b) any reasonable out-of-pocket costs incurred by the Companies and the Subsidiaries in connection with such recoveries (other than with respect to the PLC Securitization and the 2022-1 Securitization) (any such payment, a “**Charge-Off Payment**”), until the aggregate Charge-Off Payments received by the Vendor pursuant to this Section 2.7 equal \$ [REDACTED] (the “**Maximum Charge-Off Payment**”). Until such time as the Maximum Charge-Off Payment has been paid to the Vendor hereunder, the Purchaser shall deliver to the Vendor, within thirty (30) days of the end of each calendar quarter, a statement setting forth in reasonable detail the Charge-Off Payments owing to the Vendor in respect of such calendar quarter, together with reasonable supporting documentation. If the Vendor is entitled to any Charge-Off Payment in respect of a calendar quarter, the Purchaser shall pay such Charge-Off Payment to the Vendor by wire transfer of immediately available funds to an account specified by the Vendor within thirty (30) days of the end of such calendar quarter. To the extent a Charge-Off Payment is collected on behalf of the 2021-1 Securitization, such amounts payable to the Vendor shall only be paid if and when the aggregate Securitization Spill Amount for the 2021-1 Securitization in respect of the period following the Closing Date is in excess of the Charge-Off Payments received by the Companies or the Purchaser. No interest shall be payable to the Vendor with respect to any Charge-Off Payment. For the avoidance of doubt, in no event shall the amount of the total Charge-Off Payments paid to the Vendor exceed the Maximum Charge-Off Payment. The Parties acknowledge that, following the Closing, the Purchaser and its Affiliates have the right to operate the Business in such manner as the Purchaser and its Affiliates deem appropriate; provided, however, that the Purchaser shall not take any action or omit to take any action (or cause the Companies or the Subsidiaries to take any action or omit to take any action), the sole intent of which is to reduce the Charge-Off Payments payable to the Vendor pursuant to this Agreement. Subject to the foregoing, the Purchaser and its Affiliates shall have no

obligation to operate the Business in a manner designed to maximize any Charge-Off Payment. Any recoveries to be reported by the Companies and the Subsidiaries following the Closing are speculative and subject to numerous risks and uncertainties, many of which are outside the control of the Purchaser and its Affiliates, there is no assurance that the Vendor will be entitled to any Charge-Off Payment and the Vendor acknowledges and agrees that no Charge-Off Payment shall be a security of any type or nature for purposes hereof. Subject to the foregoing, none of the Purchaser, its Affiliates, the Companies or the Subsidiaries (or any manager, director or officer of any of the foregoing) owes any duty, express or implied, to the Vendor or any of its Affiliates respecting the operation of the Business.

## **2.8 Transfer Taxes**

The Purchaser shall be liable for 100% of the Transfer Taxes.

## **2.9 Tax Matters**

The Purchaser and the Vendor shall cooperate fully, as and to the extent reasonably requested by the other Party, in connection with the preparation and filing of any Tax Return and any audit, litigation or other proceeding with respect to Tax Returns or Taxes relating to the Companies. Such cooperation shall include the retention and (upon the other Party's request) the provision of records and information which are reasonably relevant to any such Tax Return, audit, litigation or other proceeding, and making employees available on a mutually convenient basis to provide additional information and explanation of any materials provided hereunder.

## **2.10 Withholding**

The Purchaser shall be entitled to deduct and withhold from any amount payable pursuant to this Agreement such amounts as are required to be deducted and withheld under the Code or applicable state, local, or foreign Tax law. Amounts withheld pursuant to this Section 2.10 shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made.

# **ARTICLE 3 TRANSFER OF EXCLUDED ASSETS, EXCLUDED CONTRACTS AND EXCLUDED LIABILITIES**

## **3.1 Transfer of Excluded Assets, Excluded Contracts and Excluded Liabilities to ResidualCo**

- (a) At the Closing Time and in accordance with the Closing Sequence and pursuant to the Approval and Reverse Vesting Order, the Excluded Assets, the Excluded Contracts and Excluded Liabilities shall be transferred and assigned to and assumed by ResidualCo, and the same shall be vested in ResidualCo pursuant to the Approval and Reverse Vesting Order.
- (b) Notwithstanding any other provision of this Agreement, neither the Purchaser nor the Companies shall retain, assume or have any Liability for any Excluded Liabilities or any Liability related to the Excluded Assets or Excluded Contracts and the Companies and their respective assets, undertaking, business and properties shall be fully and finally Discharged from all Excluded Liabilities as at and from and after the Closing Time, pursuant to the Approval and Reverse Vesting Order. For greater certainty, none of the Purchaser, Companies nor any Subsidiary shall be liable for any Tax Liabilities and Transaction Taxes arising in connection with or as a result of the transfer of the Excluded Liabilities to

ResidualCo and the assumption of the Excluded Liabilities by ResidualCo and such Tax Liabilities and Transaction Taxes shall be treated as Excluded Liabilities.

- (c) At the Closing Time, the Companies shall retain, free and clear of any and all Encumbrances other than Permitted Encumbrances, all of the Retained Assets. For greater certainty, the Retained Assets shall not include the Excluded Liabilities, Excluded Assets or the Excluded Contracts, which the Companies shall transfer to ResidualCo in accordance with Section 3.1(a). For greater certainty, none of the Purchaser, Companies nor any Subsidiary shall be liable for any Tax Liabilities and Transaction Taxes arising in connection with or as a result of the transfer of the Excluded Liabilities to ResidualCo and the assumption of the Excluded Liabilities by ResidualCo and such Tax Liabilities and Transaction Taxes shall be treated as Excluded Liabilities.

#### **ARTICLE 4 REPRESENTATIONS AND WARRANTIES**

##### **4.1 Representations and Warranties of the Vendor**

The Vendor represents and warrants to the Purchaser on the date hereof and at Closing as follows and acknowledges and agrees that the Purchaser is relying upon such representations and warranties in connection with the Transactions:

- (a) *Due Authorization and Enforceability of Obligations.* Subject to the issuance of the Approval and Reverse Vesting Order by the Court and the Vesting Recognition Order by the U.S. Court: (i) the Vendor has the power, authority and right to enter into and deliver this Agreement and each Closing Deliverable to which the Vendor will be a party and to perform its obligations hereunder and thereunder; (ii) the execution, delivery and performance by the Vendor of its obligations under this Agreement and each Closing Deliverable to which the Vendor will be a party, and the consummation by the Vendor of the Transaction, have been duly authorized and approved by all required action on the part of the Vendor; and (iii) this Agreement and each Closing Deliverable to which the Vendor will be a party will, when executed and delivered, constitute a valid and legally binding obligation of the Vendor (assuming the due authorization, execution, and delivery by the Purchaser or other parties thereto), enforceable against it in accordance with its terms subject only to the Approval and Reverse Vesting Order and the Vesting Recognition Order.
- (b) *Organization; Good Standing.*
  - (i) The Vendor is an entity organized, validly existing and in good standing under the Applicable Laws of the jurisdiction of its organization.
  - (ii) Each of the Companies and each of the Subsidiaries (excluding, for purposes of this Section 4.1(b)(ii), Pawnee Titling Trust) is an entity organized, validly existing and in good standing under the Applicable Laws of the jurisdiction of its organization.

■ [REDACTED]

■ [REDACTED]

[REDACTED]

[REDACTED]

#### 4.2 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to the Vendor on the date hereof and at Closing as follows and acknowledges and agrees that the Vendor is relying upon such representations and warranties in connection with the Transactions:

- (a) *Due Authorization and Enforceability of Obligations.* (i) The Purchaser has the power, authority and right to enter into and deliver this Agreement and each Closing Deliverable to which the Purchaser will be a party and to perform its obligations hereunder and thereunder; (ii) the execution, delivery and performance by the Purchaser of its obligations under this Agreement and each Closing Deliverable to which the Purchaser will be a party, and the consummation by the Purchaser of the Transaction, have been duly authorized and approved by all required action on the part of the Purchaser; and (iii) this Agreement and each Closing Deliverable to which the Purchaser will be a party will, when executed and delivered, constitute a valid and legally binding obligation of the Purchaser (assuming the due authorization, execution, and delivery by the Vendor or other parties thereto), enforceable against it in accordance with its terms subject only to the Approval and Reverse Vesting Order and the Vesting Recognition Order.
- (b) *No Conflict.* The execution and delivery of this Agreement by the Purchaser does not, and the execution and delivery by the Purchaser of the Closing Deliverables to which it is a party, the performance by the Purchaser of its obligations hereunder and thereunder, and the Purchaser's consummation of the Transactions will not conflict with or result in a violation or breach of any provision of the Organizational Documents of the Purchaser or conflict with or result in a violation or breach in any material respect of any Applicable Law or Order applicable to the Purchaser or any of its assets or properties.
- (c) *No Commissions.* There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the Transactions based on any arrangement or agreement which would result in Liability for the Vendor, any Company or any Subsidiary.
- (d) *Proceedings.* As of the date hereof, there are no Actions pending, or to the actual knowledge of the Purchaser, threatened against the Purchaser before any Governmental Entity, which would: (i) prevent the Purchaser from paying the Purchase Price to the Monitor; (ii) prohibit or seek to enjoin, restrict or prohibit the Transactions or (iii) reasonably be expected to materially delay the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (e) *Consents.* Except for: (i) the issuance of the Approval and Reverse Vesting Order and the Vesting Recognition Order; and (ii) any regulatory approvals required to be obtained pursuant to this Agreement, no Authorization, consent or approval of, or filing with or notice to, any Governmental Entity, court or other Person is required in connection with the Purchaser's execution, delivery or performance of this Agreement and each of the Closing Deliverables to be executed and delivered by the Purchaser hereunder, including the transfer of the Purchased Shares hereunder.

- (f) *Financial Ability.* The Purchaser has cash on hand and/or firm financing commitments in amounts sufficient to allow it to pay the balance of the Purchase Price and all other costs and expenses in connection with the consummation of the Transactions and for the Companies to perform their obligations under the Retained Contracts.
- (g) *Securities Law Matters.*
  - (i) The Purchaser is an “accredited investor”, as such term is defined in Rule 501 of Regulation D under the United States Securities Act of 1933 (the “**Securities Act**”) and it was not created or used solely to purchase or hold securities and acknowledges that the Purchased Shares will be subject to resale restrictions under applicable securities laws, which may be indefinite under applicable securities laws.
  - (ii) The Purchased Shares are being acquired by the Purchaser for its own account, and not with a view to, or for the offer or sale in connection with, any public distribution or sale of the Purchased Shares or any interest in them. The Purchaser has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of its acquisition of the Purchased Shares, and the Purchaser is capable of bearing the economic risks of such acquisition. The Purchaser acknowledges that the Purchased Shares are not registered under the Securities Act, any state securities law, regulation or rule or any applicable foreign securities law, regulation or rule, and agrees that the Purchased Shares may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of except pursuant to a registered offering in compliance with, or in a transaction exempt from, the registration requirements of the Securities Act and any other applicable state and foreign securities laws.

#### **4.3 As Is, Where Is**

The Purchaser acknowledges and agrees that it has conducted to its satisfaction an independent investigation and verification of the Companies, the Subsidiaries, the Business, the Purchased Shares, the Retained Contracts, the Assumed Liabilities and the Retained Assets, and, based solely thereon and the advice of their financial, legal and other advisors, has determined to proceed with the Transactions. The Purchaser has relied solely on the results of its own independent investigation and verification and, except for the representations and warranties of the Vendor expressly set forth in Section 4.1 and any Closing Deliverable, the Purchaser understands, acknowledges and agrees that all other representations, warranties, guarantees, conditions and statements of any kind or nature, expressed or implied (including any relating to the future or historical financial condition, results of operations, prospects, assets or liabilities of the Companies, the Subsidiaries or the Business) are specifically disclaimed by the Vendor and its financial and legal advisors and the Monitor and its legal counsel. THE PURCHASER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF THE VENDOR EXPRESSLY AND SPECIFICALLY SET FORTH IN SECTION 4.1 AND ANY CLOSING DELIVERABLE: (A) THE PURCHASER IS ACQUIRING THE PURCHASED SHARES ON AN “AS IS, WHERE IS” BASIS; AND (B) NONE OF THE VENDOR, THE COMPANIES, THE SUBSIDIARIES, THE MONITOR OR ANY OTHER PERSON (INCLUDING ANY REPRESENTATIVE OF THE VENDOR, THE COMPANIES, THE SUBSIDIARIES OR THE MONITOR WHETHER IN ANY INDIVIDUAL, CORPORATE OR ANY OTHER CAPACITY) IS MAKING, AND THE PURCHASER IS NOT RELYING ON, ANY REPRESENTATIONS, WARRANTIES, GUARANTEES, CONDITIONS OR OTHER STATEMENTS OF ANY KIND WHATSOEVER, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, STATUTORY OR

OTHERWISE, AS TO ANY MATTER CONCERNING THE COMPANIES, THE SUBSIDIARIES, THE BUSINESS, THE PURCHASED SHARES, THE ASSUMED LIABILITIES, THE EXCLUDED ASSETS, THE EXCLUDED LIABILITIES, THIS AGREEMENT OR THE TRANSACTIONS, OR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION PROVIDED TO (OR OTHERWISE ACQUIRED BY) THE PURCHASER OR ANY OF ITS REPRESENTATIVES, INCLUDING WITH RESPECT TO MERCHANTABILITY, PHYSICAL OR FINANCIAL CONDITION, DESCRIPTION, FITNESS FOR A PARTICULAR PURPOSE, OR IN RESPECT OF ANY OTHER MATTER OR THING WHATSOEVER, INCLUDING ANY AND ALL CONDITIONS, GUARANTEES, STATEMENTS, WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, PURSUANT TO ANY APPLICABLE LAWS IN ANY JURISDICTION, WHICH THE PURCHASER CONFIRMS DO NOT APPLY TO THIS AGREEMENT, AND ARE HEREBY WAIVED IN THEIR ENTIRETY BY THE PURCHASER.

## **ARTICLE 5 COVENANTS**

### **5.1 Target Closing Date**

During the Interim Period, the Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing by the Target Closing Date.

### **5.2 Covenants Relating to this Agreement**

During the Interim Period:

- (a) each of the Parties shall perform all obligations required to be performed by the applicable Party under this Agreement, co-operate with the other Party in connection therewith and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable and prior to the Outside Date, the Transactions and, without limiting the generality of the foregoing, each Party shall and, where appropriate, shall cause each of its Affiliates to: (i) negotiate in good faith and use its commercially reasonable efforts to take or cause to be taken all actions and to do, or cause to be done, all things necessary, proper or advisable to satisfy the conditions precedent to the obligations of such Party hereunder (including, where applicable, negotiating in good faith with the applicable Governmental Entities and/or third Persons in connection therewith), and to cause the fulfillment at the earliest practicable date of all of the conditions precedent to the other Party's obligations to consummate the Transactions; and (ii) not take any action, or refrain from taking any action, or permit any action to be taken or not taken, which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Transactions; provided, that nothing in this Agreement shall require the Purchaser or its Affiliates to (A) take part in any divestiture or other structural or conduct relief with respect to the Business or the Purchaser or its Affiliates or (B) contest, administratively or in court, any ruling, Order or other action of any Governmental Entity or any other Person respecting the Transactions;
- (b) the Vendor and the Purchaser agree to execute and deliver such other documents, certificates, agreements and other writings, and to take such other commercially reasonable actions to consummate or implement as soon as reasonably practicable, the Transactions; and

- (c) the Vendor and the Purchaser will use commercially reasonable efforts to timely prepare and file all documentation and pursue all steps reasonably necessary to obtain all third-party consents and approvals as may be required in connection with the Transactions.

### **5.3 Access to Information**

During the Interim Period, the Vendor shall give, or cause to be given, to the Purchaser and its Affiliates and Representatives, reasonable access to such Books and Records, Employees and such other officers and employees of the Vendor as the Purchaser may reasonably request in connection with the Transactions and shall furnish Purchaser with all such information concerning the Business, Retained Assets and Assumed Liabilities as the Purchaser may reasonably request, in order to review the legal, financial and business condition and affairs of the Business. No investigation made pursuant to this Section 5.3 by the Purchaser or its Representatives at any time prior to or following the date of this Agreement shall affect or be deemed to modify any representation or warranty made by the Vendor herein.

### **5.4 Personal Information**

The Purchaser shall at all times comply with all Applicable Laws governing the protection of Personal Information with respect to Personal Information disclosed or otherwise provided to the Purchaser by the Vendor under this Agreement. The Purchaser shall only collect, use or disclose such Personal Information for the purposes of investigating the Companies and the Subsidiaries and the Business as contemplated by this Agreement and completing the Transactions. The Purchaser shall use commercially reasonable efforts to safeguard all Personal Information collected from the Companies, the Subsidiaries or the Vendor in a manner consistent with the degree of sensitivity of the Personal Information and maintain at all times the security and integrity of the Personal Information. If the Transactions are not completed for any reason, the Purchaser shall return all Personal Information to the Vendor or destroy such Personal Information at the Vendor's written request.

### **5.5 Preservation of Records**

The Purchaser shall use commercially reasonable efforts to preserve and keep the Books and Records for a period of six years from the Closing Date, or for any longer period as may be required by any Applicable Law or Order, and shall make such Books and Records available to the Monitor or any trustee in bankruptcy of any of the CCAA Parties on a timely basis, as may be reasonably required by such Person including, to make copies (at such Person's own expense) as may be necessary or useful to accomplish such Person's respective role; provided, that such Person provides reasonable notice thereof and such access is during normal business hours.

### **5.6 Release by the Purchaser**

Except in connection with any obligations of the Vendor contained in this Agreement or any Closing Deliverables to which the Vendor is a party, effective as of the Closing Time, the Purchaser and its respective Affiliates hereby release and forever discharge the Vendor, the Monitor and their respective Affiliates, and each of their respective successors and assigns, and all current and former officers, directors, partners, members, shareholders, employees, agents, financial and legal advisors of each of them (the "**Vendor Released Parties**"), of and from, and hereby unconditionally and irrevocably waives, any and all Released Claims that the Purchaser ever had, now has or ever may have or claim to have against any of the Vendor Released Parties in their capacity as such, for or by reason of any matter, circumstance, event, action, inaction, omission, cause or thing whatsoever which such Person had, has or may have in the future to the extent relating to the Purchaser's acquisition of the Companies and the Subsidiaries, save and except for Released Claims arising out of fraud or willful misconduct.



## **5.7 Release by the Vendor**

Except in connection with any obligations of the Purchaser contained in this Agreement or any Closing Deliverables to which the Purchaser is a party, effective as of the Closing Time, the Vendor and its respective Affiliates (including ResidualCo) hereby release and forever discharge the Purchaser, the Monitor and their respective Affiliates (excluding, for greater certainty, the Companies and the Subsidiaries), and each of their respective successors and assigns, and all current and former officers, directors, partners, members, shareholders, limited partners, employees, agents, financial and legal advisors of each of them (the “**Purchaser Released Parties**”), of and from, and hereby unconditionally and irrevocably waives, any and all Released Claims that the Vendor ever had, now has or ever may have or claim to have against any of the Purchaser Released Parties in their capacity as such, for or by reason of any matter, circumstance, event, action, inaction, omission, cause or thing whatsoever which such Person had, has or may have in the future to the extent relating to the Purchaser’s acquisition of the Companies and the Subsidiaries, save and except for Released Claims arising out of fraud or willful misconduct.

## **5.8 Notice of Breaches**

- (a) During the Interim Period, the Vendor shall promptly deliver to the Purchaser supplemental information concerning events or circumstances occurring subsequent to the date hereof which would render any representation, warranty or statement in this Agreement or any of the Disclosure Schedules inaccurate or incomplete in any material respect at any time after the date of this Agreement until the Closing. No such supplemental information shall be deemed to avoid or cure any misrepresentation or breach of warranty or constitute an amendment of any representation, warranty or statement in this Agreement or the applicable Schedule or Disclosure Schedule as of the Closing Date. The Vendor shall also provide the Purchaser with prompt written notice of (i) any material development affecting or reasonably likely to affect the ability of the Vendor to consummate the Transactions, (ii) any Material Adverse Effect, (iii) any notice or other communication from any third party alleging that the consent of such third party is or may be required in connection with the Transactions, and (iv) any notice or other communication from any Governmental Entity in connection with the Transactions or any Closing Deliverable.
- (b) The Purchaser shall promptly deliver to the Vendor (i) during the Interim Period, supplemental information concerning events or circumstances occurring subsequent to the date hereof which would render any representation, warranty or statement in this Agreement or any of the Disclosure Schedules inaccurate or incomplete in any material respect at any time after the date of this Agreement until the Closing and (ii) promptly following its completion, a copy of the EY Evaluation. No such supplemental information shall be deemed to avoid or cure any misrepresentation or breach of warranty or constitute an amendment of any representation, warranty or statement in this Agreement or the applicable Schedule or Disclosure Schedule as of the Closing Date.

## **5.9 Operation of the Business**

Except to the extent the Purchaser otherwise agrees in writing, during the Interim Period, the Vendor shall cause the Companies and the Subsidiaries to operate the Business in the ordinary course of business consistent with past practice since the commencement of the CCAA Proceedings and the U.S. Proceedings and shall use commercially reasonable efforts to preserve the present organization of the Business and present relationships with all Persons (including patients, customers and suppliers) having material business dealings with the Business. Without limiting the generality of the foregoing, during such period, the Vendor

shall not take, and shall cause the Companies and the Subsidiaries not to take, any of the following actions in connection with the Business without the written consent of the Purchaser:

- (a) acquire or agree to acquire stock or other ownership interests of, merge or consolidate with, or purchase material assets of, any Person or otherwise acquire or agree to acquire any assets that are material to the Business, except in the ordinary course of business consistent with past practice;
- (b) sell, lease, license or otherwise dispose of, or agree to sell, lease, license or otherwise dispose of, any assets that are material to the Business, except in the ordinary course of business consistent with past practice;
- (c) enter into, cancel or modify any Retained Contract other than in the ordinary course of business consistent with past practice;
- (d) make any change in any method of accounting or accounting practice or policy;
- (e) cancel, compromise, waive or release any claim other than in the ordinary course of business consistent with past practice;
- (f) take any action that would make any of the representations or warranties of the Vendor contained in this Agreement untrue or result in any of the conditions to Closing set forth in this Agreement not being satisfied;
- (g) make, change or revoke and election with respect to Taxes, elect or change any method of accounting, settle or compromise any Tax contest, file any amended Tax Return or enter into any "closing agreement" within the meaning of Section 7121 of the Code (or any similar provision of state or local law); or
- (h) enter into any Contract to do any of the things described in subsections (a) through (g) above or authorize any of, or commit or agree to take any of, such actions.

#### **5.10 Monthly Servicer Reports**

During the Interim Period, the Vendor shall provide the Purchaser with copies of the monthly servicer reports of the Companies and the Subsidiaries within three (3) Business Days of such reports being prepared and finalized.

#### **5.11 EY Evaluation and Independent Accountant Evaluation**

- (a) As soon as practicable after the date hereof, the Purchaser shall engage EY, at the Purchaser's sole cost, to prepare the EY Evaluation for completion as soon as practicable.
- (b) In the event that the EY Evaluation identifies a NIL Percentage Variation in excess of 5.0%, the Vendor and the Purchaser shall jointly engage a nationally recognized independent firm of chartered accountants as is mutually acceptable to the Purchaser and the Vendor (the "**Independent Accountant**") to prepare the Independent Accountant Evaluation. The Independent Accountant shall be instructed to prepare the Independent Accountant Evaluation as soon as practicable and, in any event, no later than thirty (30) days following the date of engagement. The Vendor, on the one hand, and the Purchaser,

on the other hand, shall each be responsible for 50% of the Independent Accountant's fees associated with preparing the Independent Accountant Evaluation.

- (c) During the Interim Period, the Vendor shall, to the extent in the Vendor's possession; provided, that if not in the Vendor's possession, the Vendor shall use reasonable best efforts to, provide all original documents, cash collections statements, public UCC filings and other relevant materials requested by EY that are reasonably required to complete the EY Evaluation. Following Closing, the Purchaser shall, to the extent in the Purchaser's possession; provided, that if not in the Purchaser's possession, the Purchaser shall use reasonable best efforts to provide all original documents, cash collections statements, public UCC filings and other relevant materials requested by EY that are reasonably required to complete the EY Evaluation solely to the extent the EY Evaluation is not completed by the Closing or by the Independent Accountant that are reasonably required to complete the Independent Accountant Evaluation, as applicable.

## **5.12 Removed Contracts**

During the Interim Period, but no later than three (3) Business Days before the Closing Date or, in the case of any Contract that is a servicing agreements for the servicing of Equipment loan and lease assets for which a Company serves as a servicer, no later than ten (10) Business Days before the Closing Date, the Purchaser may remove any Contract designated as a Retained Contract by providing written notice to the Vendor. Any such Contract shall be treated as a Removed Contract for all purposes of this Agreement. The Parties acknowledge that it is the Purchaser's intention to designate any Contract as a Removed Contract in accordance with this Section 5.12, if: (a) such Contract has not been prepaid by the Vendor and/or (b) such Contract is in default and that default has not been waived by the applicable counterparty or by any other party with the right to waive such default, and/or (c) Cure Costs are payable in respect of such Contract, which Cure Costs have not been waived in writing by the applicable counterparty. For greater certainty, the Vendor shall have no obligation to make any prepayment or to pay any Cure Costs with respect to any Contract, and the Purchase Price shall not be subject to any adjustment in the event that any Contract is designated to be a Removed Contract.

## **5.13 Employee Matters**

The Vendor shall cause the Companies to terminate, effective immediately prior to the Closing Time, any Employee who does not receive, or does not accept, an offer of employment from the Purchaser (any such offer to be effective as of the Closing Time and conditional on Closing). The Purchaser shall provide a list of all Employees who have accepted the Purchaser's offer of employment to the Vendor not later than five (5) Business Days prior to the Closing Date.

# **ARTICLE 6 INSOLVENCY PROVISIONS**

## **6.1 Court Orders and Related Matters**

- (a) As soon as practicable after the date hereof, the Vendor shall serve and file a motion seeking the issuance of the Approval and Reverse Vesting Order and the Vesting Recognition Order.
- (b) The Vendor shall diligently use its commercially reasonable efforts to seek the issuance and entry of the Approval and Reverse Vesting Order and the Vesting Recognition Order

and the Purchaser shall cooperate with the Vendor in its efforts to obtain the issuance and entry of such Orders.

- (c) From and after the date of this Agreement and until the Closing Date, the Vendor shall deliver to counsel to the Purchaser drafts of any and all pleadings, motions, notices, statements, applications, schedules, reports, and other papers to be filed or submitted by the Vendor in connection with or related to this Agreement, for the Purchaser's prior review at least two (2) Business Days in advance of filing and service of such materials (or where circumstances make it impracticable to allow for two (2) Business Days' review, with as much opportunity for review and comment as is reasonably practicable in the circumstances). The Vendor acknowledges and agrees (i) that any such pleadings, motions, notices, statements, applications, schedules, reports, or other papers in respect of Approval and Reverse Vesting Order and the Vesting Recognition Order, and the Approval and Reverse Vesting Order and the Vesting Recognition Order themselves, shall be in form and substance satisfactory to the Purchaser, acting reasonably, and (ii) to consult and cooperate with the Purchaser regarding any discovery, examinations and hearing in respect of any of the foregoing, including the submission of any evidence, including witnesses testimony, in connection with such hearing(s).
- (d) Notice of the motions seeking the issuance of the (i) Approval and Reverse Vesting Order and (ii) the Vesting Recognition Order, respectively, shall be served by the Vendor on all Persons required to receive notice under Applicable Law and the requirements of the (1) CCAA and the Court and (2) U.S. Proceedings and the U.S. Court, as applicable, and any other Person determined necessary or advisable by the Vendor or the Purchaser, acting reasonably. Service of the Vendor's motion seeking the Vesting Recognition Order shall be in accordance with the Bankruptcy Code and Federal Rules of Bankruptcy Procedure.
- (e) If the Approval and Reverse Vesting Order or the Vesting Recognition Order is appealed or a motion for leave to appeal, rehearing, reargument or reconsideration is filed with respect thereto, the Vendor agrees to take all action as may be commercially reasonable and appropriate to defend against such appeal, petition or motion.

## **ARTICLE 7 CLOSING ARRANGEMENTS**

### **7.1 Closing**

Subject to the satisfaction of the conditions set forth in Article 8 (or the waiver thereof by each Party entitled to waive that condition), the Closing shall take place virtually by exchange of documents in PDF format on the Closing Date, in accordance with the Closing Sequence (as defined below), and shall be subject to such escrow document release arrangements as the Parties may agree, on the date that is two (2) Business Days after the satisfaction or waiver of the conditions set forth in Article 8 (other than conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions at the Closing), unless another place, date, or time is agreed to in writing by the Vendor and the Purchaser.

### **7.2 Closing Sequence**

On the Closing Date, subject to the terms of the Approval and Reverse Vesting Order and the Vesting Recognition Order, Closing shall take place in the following sequence (the "Closing Sequence"):

- (a) First, the Purchaser shall pay the unpaid balance of the Purchase Price (which amount will, for greater certainty, not include any amount of the Deposit) to the Monitor, on behalf of the Vendor;
- (b) Second, the Companies shall be deemed to transfer to ResidualCo the Excluded Assets, the Excluded Contracts and the Excluded Liabilities, pursuant to the Approval and Reverse Vesting Order;
- (c) Third, all Encumbrances to Be Discharged will be fully Discharged and released;
- (d) Fourth, all right, title and interest of Vendor in and to the Purchased Shares shall vest absolutely and exclusively in Purchaser, free and clear of all Encumbrances; and
- (e) Fifth, except for the Purchased Shares, any agreement, contract, plan, indenture, deed, subscription right, conversion right, pre-emptive right or other document or instrument governing or having been created or granted in connection with any shares, options, warrants, share units, or other Equity Interests in the Companies shall be deemed terminated and cancelled for no consideration.

The Purchaser, with the prior consent of the Vendor and the Monitor, acting reasonably, may amend the Closing Sequence provided that such amendment to the Closing Sequence does not materially alter or impact the Transactions or the consideration which the Vendor and/or its applicable stakeholders will benefit from as part of the Transactions.

### **7.3 Purchaser's Closing Deliverables**

At or before the Closing (as applicable), the Purchaser shall deliver or cause to be delivered to the Vendor (or to the Monitor, if so indicated below), the following:

- (a) the aggregate of the Purchase Price, less the Deposit, in accordance with Section 7.2(a);
- (b) a bring-down certificate dated as of the Closing Date and executed by an authorized signatory on behalf of the Purchaser confirming and certifying that each of the conditions in Sections 8.3(b) and 8.3(c) have been satisfied; and
- (c) a certificate, duly executed by an authorized signatory of the Purchaser, dated as of the Closing Date, the resolutions adopted by the governing body of the Purchaser in connection with this Agreement, and the incumbency of those authorized signatories of the Purchaser executing this Agreement and the other Closing Deliverables by or on behalf of the Purchaser.

### **7.4 Vendor's Closing Deliverables**

At or before the Closing (as applicable), the Vendor shall deliver or cause to be delivered to the Purchaser, the following:

- (a) a true copy of the issued and entered Approval and Reverse Vesting Order and the Vesting Recognition Order;
- (b) a bring-down certificate dated as of the Closing Date and executed by an authorized signatory on behalf of the Vendor confirming and certifying that each of the conditions in

Sections 8.2(b), 8.2(c) and 8.2(d) have been satisfied;

- (c) an Internal Revenue Service Form W-9 duly executed and completed by the Vendor;
- (d) share certificates representing the Purchased Shares duly endorsed in blank for transfer or accompanied by duly signed powers of attorney for transfer in blank, each in form and substance satisfactory to the Purchaser, and, to the extent the Purchased Shares are certificated, the certificate(s) evidencing the Purchased Shares duly endorsed by the Vendor for transfer; and
- (e) a certificate, duly executed by the secretary of the Vendor (or a similar officer), dated as of the Closing Date, the resolutions adopted by the governing body of the Vendor in connection with this Agreement, and the incumbency of those officers of the Vendor executing this Agreement and the other Closing Deliverables by or on behalf of the Vendor.

## ARTICLE 8 CONDITIONS OF CLOSING

### 8.1 Mutual Conditions

The respective obligations of the Purchaser and the Vendor to consummate the Transactions are subject to the satisfaction of, or compliance with, at or prior to the Closing Time, each of the conditions listed below:

- (a) *No Violation of Orders or Law.* During the Interim Period, no Governmental Entity shall have enacted, issued or promulgated any final or non-appealable Order or Law which has: (i) the effect of making any of the Transactions illegal, or (ii) the effect of otherwise prohibiting, preventing or restraining the consummation of any of the Transactions.
- (b) *Court Approval.* The following conditions shall have been met: (i) the Approval and Reverse Vesting Order shall have been issued by the Court and the Vesting Recognition Order shall have been issued by the U.S. Court; and (ii) the Initial Order, the SISP Order, the Approval and Reverse Vesting Order and the Vesting Recognition Order shall not have been vacated, set aside or stayed.

The Parties acknowledge that the foregoing conditions are for the mutual benefit of the Vendor and the Purchaser. Any condition in this Section 8.1 may be jointly waived, to the extent permitted by Applicable Law, by the Vendor and by the Purchaser, in whole or in part, without prejudice to any of their respective rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver will be binding on the Vendor or the Purchaser only if made in writing.

### 8.2 Purchaser's Conditions

The Purchaser shall not be obligated to complete the Transactions, unless each of the conditions listed in Section 8.1 and below in this Section 8.2 have been satisfied, it being understood that the said conditions in this Section 8.2 are included for the exclusive benefit of the Purchaser, and may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing, provided that if the Purchaser does not waive a condition(s) and completes the Closing, such condition(s) shall be deemed to have been waived by the Purchaser.

- (a) *Vendor's Deliverables.* The Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser or at the Closing all the documents contemplated in Section 7.4.
- (b) *No Breach of Representations and Warranties.* Each of the representations and warranties contained in Section 4.1 shall be true and correct (without giving effect to any qualifications and limitations as to "materiality," "in all material respects," "Material Adverse Effect" and similar words and phrases in any of such representations and warranties) (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (c) *No Breach of Covenants.* The Vendor shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Vendor on or before the Closing.
- (d) *No Material Adverse Effect.* Since the date of this Agreement, there shall not have occurred a Material Adverse Effect.

The Purchaser acknowledges and agrees that (a) its obligations to consummate the Transactions are not conditioned or contingent in any way upon receipt of financing from a third party, and (b) failure to consummate the Transactions as a result of the failure to obtain financing shall constitute a breach of this Agreement by the Purchaser which will give rise, *inter alia*, to the Vendor's recourses for breach.

### **8.3 Vendor's Conditions**

The Vendor shall not be obligated to complete the Transactions unless each of the conditions listed in Section 8.1 and below in this Section 8.3 have been satisfied, it being understood that the said conditions in this Section 8.3 are included for the exclusive benefit of the Vendor, and may be waived by the Vendor in whole or in part, without prejudice to any of their rights of termination in the event of nonfulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing, provided that if the Vendor does not waive a condition(s) and completes the Closing, such condition(s) shall be deemed to have been waived by the Vendor.

- (a) *The Purchaser's Deliverables.* The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor (with a copy to the Monitor) at the Closing all the documents and payments contemplated in Section 7.3.
- (b) *No Breach of Representations and Warranties.* Each of the representations and warranties contained in Section 4.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (c) *No Breach of Covenants.* The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

### **8.4 Monitor's Certificate**

When the conditions to Closing set out in Section 8.1, 8.2 and 8.3 have been satisfied and/or waived by the Vendor or the Purchaser, as applicable, the Vendor, the Purchaser or their respective counsel will each deliver to the Monitor confirmation in writing (email being sufficient) that such conditions of Closing, as

applicable, have been satisfied and/or waived and that the Parties are prepared for the Closing Sequence to commence (the “**Conditions Certificates**”). Upon receipt of the Conditions Certificates and the receipt of the entire Purchase Price, the Monitor shall: (a) issue forthwith its Monitor’s Certificate concurrently to the Vendor and counsel to the Purchaser, at which time the Closing Sequence will be deemed to commence and be completed in the order set out in the Closing Sequence, and Closing will be deemed to have occurred; and (b) file as soon as practicable a copy of the Monitor’s Certificate with the Court (and shall provide a true copy of such filed certificate to the Vendor and counsel to the Purchaser). In the case of: (a) and (b) above, the Monitor will be relying exclusively on the Conditions Certificates without any obligation whatsoever to verify or inquire into the satisfaction or waiver of the applicable conditions, and the Monitor will have no liability to the Vendor or the Purchaser as a result of filing the Monitor’s Certificate.

## **ARTICLE 9 TERMINATION**

### **9.1 Termination**

This Agreement may be terminated on or prior to the Closing Date:

- (a) by the mutual agreement of the Vendor and the Purchaser;
- (b) by either the Vendor or the Purchaser, upon the termination, dismissal or conversion of the CCAA Proceedings, provided that neither Party may terminate this Agreement pursuant to this Section 9.1(b) if the termination, dismissal or conversion of the CCAA Proceedings was caused by a breach of this Agreement by such Party;
- (c) the Court grants relief terminating the Stay Period (as defined in the Initial Order) with regard to any material assets or business of the Vendor and any appeal periods relating thereto shall have expired;
- (d) by either the Vendor or the Purchaser, upon notice to the other Party if the Court declines at any time to grant the Approval and Reverse Vesting Order, provided that (i) the reason for the Approval and Reverse Vesting Order not being approved by the Court is not due to any act, omission or breach of this Agreement by the Party proposing to terminate this Agreement, and (ii) the Purchaser may not terminate this Agreement while any decision of the Court declining to grant the Approval and Reverse Vesting Order is under appeal by the Vendor, provided that this Agreement may be terminated under Section 9.1(g);
- (e) by either the Vendor or the Purchaser, upon notice to the other Party if the U.S. Court declines at any time to grant the Vesting Recognition Order, provided that (i) the reason for the Vesting Recognition Order not being approved by the Court is not due to any act, omission or breach of this Agreement by the Party proposing to terminate this Agreement, and (ii) the Purchaser may not terminate this Agreement while any decision of the U.S. Court declining to grant the Vesting Recognition Order is under appeal by the Vendor, provided that this Agreement may be terminated under Section 9.1(g);
- (f) by either the Vendor or the Purchaser, if a Governmental Entity issues a final, non-appealable Order permanently restraining, enjoining or otherwise prohibiting consummation of the Transactions; provided, that the right to terminate this Agreement pursuant to this Section 9.1(f) shall not be available to any party whose breach of any provision of this Agreement results in such Order;



- (g) by either the Vendor or the Purchaser, at any time following the Outside Date, if Closing has not occurred on or prior to 5:00 p.m. (Eastern time) on the Outside Date, provided that the reason for the Closing not having occurred on or prior to 5:00 p.m. (Eastern time) on the Outside Date is not due to any act or omission, or breach of this Agreement, by the Party proposing to terminate this Agreement pursuant to this Section 9.1(g);
- (h) by the Vendor, if the Purchaser is then in material breach of any provision of this Agreement or there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by the Purchaser pursuant to this Agreement, in either case which (i) would prevent the satisfaction of, or compliance with, any condition set forth in Sections 8.1 or 8.3, as applicable and (ii) such breach, inaccuracy or failure cannot be cured by the Purchaser by the Business Day prior to the Outside Date or, if capable of being cured, shall not have been cured within ten (10) Business Days following receipt of written notice from the Vendor describing such breach or failure in reasonable detail and stating the Vendor's intention to terminate this Agreement pursuant to this Section 9.1(h), unless the Vendor is itself in material breach of its own obligations under this Agreement at such time;
- (i) by the Purchaser, if the Vendor is then in material breach of any provision of this Agreement or there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by the Vendor pursuant to this Agreement, in either case which (i) would prevent the satisfaction of, or compliance with, any condition set forth in Sections 8.1 or 8.2, as applicable and (ii) such breach, inaccuracy or failure cannot be cured by the Vendor by the Business Day prior to the Outside Date or, if capable of being cured, shall not have been cured within ten (10) Business Days following receipt of written notice from the Purchaser describing such breach or failure in reasonable detail and stating the Purchaser's intention to terminate this Agreement pursuant to this Section 9.1(i), unless the Purchaser is itself in material breach of its own obligations under this Agreement at such time; or
- (j) by the Vendor, if the Purchaser fails to fund the Estimated Purchase Price on or prior to the date on which Closing would have otherwise occurred.

Notwithstanding anything to the contrary contained herein, a Party shall not be permitted to terminate this Agreement pursuant to this Article 9 if the applicable termination event in this Section 9.1 was caused by the breach of such Party or such Party's gross negligence, willful misconduct, or bad faith.

The Party desiring to terminate this Agreement pursuant to this Section 9.1 (other than pursuant to Section 9.1(a)) shall give written notice of such termination to the other Party or Parties, as applicable, specifying in reasonable detail the basis for such Party's exercise of its termination rights.

## **9.2 Effect of Termination**

- (a) If this Agreement is terminated pursuant to Section 9.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations to any other Party hereunder, except, subject to Section 9.2(b), as contemplated in Sections 2.1 (*Deposit*), 5.4 (*Personal Information*) and 9.2 (*Effect of Termination*) and Articles 1 and 10 (excluding Sections 10.1, 10.2, 10.3, 10.7 and 10.8), which shall survive such termination; provided, that nothing herein shall relieve any Party from Liability for any willful breach of any provision hereof.

- (b) If this Agreement is terminated pursuant to Sections 9.1(h) or 9.1(j), the Deposit shall become the property of, and shall be transferred to, the Vendor as liquidated damages (and not as a penalty) to compensate the Vendor for the expenses incurred and opportunities foregone as a result of the failure to close the Transactions. The Vendor agrees that, notwithstanding any other provision herein, the Deposit shall be the exclusive remedy as against the Purchaser if any event described in Sections 9.1(h) or 9.1(j) occurs giving rise to a termination right to the Vendor under this Agreement.
- (c) If the Closing does not occur for any reason and the Agreement is terminated other than the Agreement having been terminated pursuant to Sections 9.1(h) or 9.1(j), the Deposit will be forthwith refunded in full to the Purchaser without offset or deduction.

## **ARTICLE 10 GENERAL**

### **10.1 Transaction Structure**

The Purchaser, with the prior consent of the Vendor and the Monitor, acting reasonably, may amend the structure of the Transactions, including with respect to optimizing tax structures, provided that such amendment to the Closing Sequence does not materially alter or impact the Transactions or the consideration which the Vendor and/or its applicable stakeholders will benefit from as part of the Transactions.

### **10.2 Tax Matters**

- (a) The Purchaser shall: (i) prepare or cause to be prepared and file or cause to be filed all Tax Returns for the Companies for all Tax periods ending on or prior to the Closing Date and which are due after the Closing Date; and (ii) cause the Companies to duly and timely make or prepare all Tax Returns required to be made or prepared by it to duly and timely file all Tax Returns required to be filed by it for any Straddle Period.
- (b) With respect to any Straddle Period, the amount of Taxes allocable to the portion of the Straddle Period ending at the end of the day on the Closing Date shall be: (i) in the case of Taxes imposed on a periodic basis (such as real or personal property Taxes), the amount of such Taxes for the entire Straddle Period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding period) multiplied by a fraction, the numerator of which is the number of calendar days in the Straddle Period up to and including the Closing Date and the denominator of which is the number of calendar days in the entire relevant Straddle Period; and (ii) in the case of Taxes not described in (i) (including for greater certainty, Taxes that are based upon or related to income or receipts, or Taxes that are based upon occupancy or imposed in connection with any sale or other transfer or assignment of property), the amount of such Taxes determined as if such tax period ended at the end of the day on the Closing Date.

### **10.3 Survival**

All representations, warranties, covenants and agreements of the Vendor or the Purchaser made in this Agreement or any other agreement, certificate or instrument delivered pursuant to this Agreement shall not survive the Closing except where, and only to the extent that, the terms of any such covenant or agreement expressly provide for rights, duties or obligations extending after the Closing, or as otherwise expressly

provided in this Agreement. For the avoidance of doubt, any claim with respect to fraud shall survive the Closing indefinitely.

#### **10.4 Expenses**

Except as otherwise set forth herein, or if otherwise agreed in writing upon amongst the Parties, each Party shall be responsible for its own costs and expenses (including any Taxes imposed on such expenses) incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the Transactions (including the fees and disbursements of legal counsel, bankers, agents, investment bankers, accountants, brokers and other advisers).

#### **10.5 Public Announcements**

No Party shall make any public announcements (to the Employees, customers or suppliers of the Vendor or otherwise) in respect of this Agreement, any Closing Deliverable or the transactions contemplated hereby or thereby or otherwise communicate with any news media without the prior written consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed), and the Parties shall cooperate as to the timing and contents of any such announcement. Notwithstanding the foregoing, nothing herein shall prevent a Party from making public disclosure in respect of the Transactions to the extent required by Applicable Law, including with respect to the U.S. Court or Court and in connection with the U.S. Proceedings, CCAA Proceedings, Vesting Recognition Order of Approval and Reverse Vesting Order, provided that if any disclosure is to reference a Party, the non-disclosing Party will be provided notice of such requirement so that the non-disclosing Party may seek a protective order or other appropriate remedy.

Subject to the above, the Purchaser will agree to the existence of factual details of this Agreement and the Transactions generally being set out in public disclosure made by the Vendor or the Purchaser in any court material, including the filing of this Agreement with the Court and the U.S. Court in connection with the CCAA Proceedings or the U.S. Court in connection with the U.S. Proceedings, provided that certain agreements shall be subject to redactions as may be necessary to protect the commercial interests of the applicable Parties.

#### **10.6 Notices**

- (a) *Mode of Giving Notice.* Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if: (i) delivered personally by hand (with written confirmation of receipt); (ii) one (1) Business Day following the day sent by prepaid, overnight courier service (with written confirmation of receipt); or (iii) sent by e-mail (with written confirmation of transmission), in each case, to the applicable address set out below.

If to the Vendor, c/o the Monitor, or to the Monitor, to:

**FTI Consulting Canada Inc.**

TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto, Ontario M5K 1G8

Attention: Jeffrey Rosenberg / Dean Mullett  
Email: Jeffrey.Rosenberg@fticonsulting.com / Dean.Mullett@fticonsulting.com

*with a copy to the Monitor's counsel at:*

**Osler, Hoskin & Harcourt LLP**

100 King Street West  
1 First Canadian Place  
Suite 6200, P.O. Box 50  
Toronto, Ontario  
M5X 1B8

Attention: Marc Wasserman / David Rosenblat  
Email: [mwasserman@osler.com](mailto:mwasserman@osler.com) / [drosenblat@osler.com](mailto:drosenblat@osler.com)

If to the Purchaser, to:

**North Mill Equipment Finance LLC**

601 Merritt 7, Suite 5  
Norwalk, Connecticut 06851

Attention: David C. Lee, Chief Executive Officer  
Email: [DLee@nmef.com](mailto:DLee@nmef.com)

*with copies to the Purchaser's counsels at:*

**Moore & Van Allen PLLC**

100 North Tryon Street  
Suite 4700  
Charlotte, North Carolina 28202

Attention: William H. Zimmern  
Email: [billzimmern@mvalaw.com](mailto:billzimmern@mvalaw.com)

and

**Blake, Cassels & Graydon LLP**

199 Bay Street  
Suite 4000  
Toronto, Ontario  
M5L 1A9

Attention: Chris Burr  
Email: [chris.burr@blakes.com](mailto:chris.burr@blakes.com)

- (b) *Change of Address.* Any Party may from time to time change its address under this Section 10.6 by notice to the other Party given in the manner provided by this Section 10.6.

**10.7 Time of Essence**

Time shall be of the essence of this Agreement in all respects.

## **10.8 Further Assurances**

The Vendor on the one hand, and the Purchaser on the other hand, shall, at the sole expense of the requesting Party, from time to time promptly execute and deliver or cause to be executed and delivered all such further documents, certificates and instruments and shall do or cause to be done all such further acts and things in connection with this Agreement, the Closing Deliverables and the Transactions that the other Party may reasonably require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement, any Closing Deliverables, any provision hereof or thereof or the Transactions.

## **10.9 Entire Agreement**

This Agreement (including the Disclosure Schedules) and the Closing Deliverables constitute the entire agreement between the Parties or any of them pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, with respect to the subject matter herein. There are no conditions, representations, warranties, obligations or other agreements between the Parties with respect to the subject matter of this Agreement (whether oral or written, express or implied, statutory or otherwise) except as explicitly set out in this Agreement and the Closing Deliverables.

## **10.10 Waiver and Amendment**

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless: (a) executed in writing by the Vendor and the Purchaser (including by way of email); and (b) the Monitor shall have provided its prior consent. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

## **10.11 Severability**

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

## **10.12 Remedies Cumulative**

The rights, remedies, powers and privileges herein provided to a Party are cumulative and in addition to and not exclusive of or in substitution for any rights, remedies, powers and privileges otherwise available to that Party.

## **10.13 Governing Law**

This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware applicable to contracts made and performed in such State, without reference to such State's or any other state's or other jurisdiction's principles of conflict of laws.

## **10.14 Dispute Resolution**

If any dispute arises with respect to the interpretation or enforcement of this Agreement, including as to what constitutes a breach or material breach of this Agreement for the purposes of Article 9 hereof, such

dispute shall be determined by the Court within the CCAA Proceedings, or by such other Person or in such other manner as the Court may direct. The Parties irrevocably submit and attorn to the exclusive jurisdiction of the Court.

### **10.15 Attornment**

Each Party agrees: (a) that any Action relating to this Agreement shall be brought in the Court, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of the Court; (b) that it irrevocably waives any right to, and shall not, oppose any such Action in the Court on any jurisdictional basis, including *forum non conveniens*; and (c) not to oppose the enforcement against it in any other jurisdiction of any Order duly obtained from the Court as contemplated by this Section 10.15. Each Party agrees that service of process on such Party as provided in this Section 10.15 shall be deemed effective service of process on such Party.

### **10.16 Successors and Assigns**

This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns.

### **10.17 Assignment**

The Vendor may not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the Purchaser. Prior to Closing, the Purchaser may assign, upon written notice to the Vendor, all or any portion of its rights and obligations under this Agreement to an Affiliate provided that such Affiliate is capable of making the same representations and warranties herein and completing the Transactions by the Outside Date. Any purported assignment or delegation in violation of this Section 10.17 is null and void. No assignment or delegation shall relieve the assigning or delegating party of any of its obligations hereunder.

### **10.18 No Liability; Monitor Holding or Disposing Funds**

Any obligation of or direction to the Monitor to disburse or hold funds or take any action shall be subject to the Approval and Reverse Vesting Order or other order of the Court in all respects. The Purchaser and the Vendor acknowledge and agree that the Monitor, acting in its capacity as the Monitor of the Vendor in the CCAA Proceedings, and the Monitor's Affiliates and their respective former and current directors, officers, employees, agents, advisors, lawyers and successors and assigns will have no Liability under or in connection with this Agreement, the Approval and Reverse Vesting Order, the Vesting Recognition Order or any other related Court orders whatsoever (including, without limitation, in connection with the receipt, holding or distribution of the Purchase Price (including the Deposit)), whether in its capacity as Monitor, in its personal capacity or otherwise. If, at any time, there shall exist, in the sole and absolute discretion of the Monitor, any dispute between the Vendor on the one hand, and the Purchaser on the other hand, with respect to the holding or disposition of any portion of the Purchase Price (including the Deposit), or any other obligation of the Monitor hereunder in respect of the Purchase Price (including the Deposit), or if at any time the Monitor is unable to determine the proper disposition of any portion of the Purchase Price (including the Deposit), or its proper actions with respect to its obligations hereunder in respect of the Purchase Price (including the Deposit), then the Monitor may (a) make a motion to the Court for direction with respect to such dispute or uncertainty and, to the extent required by law or otherwise at the sole and absolute discretion of the Monitor, pay the Purchase Price (including the Deposit) or any portion of thereof into the Court for holding and disposition in accordance with the instructions of the Court, or (b) hold the Purchase Price (including the Deposit) or any portion thereof and not make any disbursement thereof until: (i) the Monitor receives a written direction signed by both the Vendor and the Purchaser directing the

Monitor to disburse, as the case may be, the Purchase Price (including the Deposit) or any portion thereof in the manner provided for in such direction, or (ii) the Monitor receives an Order from the Court, obtained on reasonable notice to the Purchaser and the Vendor, which is not stayed or subject to appeal and for which the applicable appeal period has expired, instructing it to disburse, as the case may be, the Purchase Price (including the Deposit) or any portion thereof in the manner provided for in the Order.

#### **10.19 Third Party Beneficiaries**

Except with respect to the Monitor as provided in this Agreement (including, without limitation, pursuant to Sections 4.3, 5.6, 5.7, 8.4 and 10.18) and as set forth in Sections 5.6 and 5.7, this Agreement is for the sole benefit of the Parties, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

#### **10.20 Counterparts**

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Party by e-mail in pdf format or by other electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving Party.

#### **10.21 Waiver of Jury Trial**

EACH OF THE PARTIES HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION (A) ARISING UNDER THIS AGREEMENT OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES IN RESPECT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY, OR OTHERWISE. EACH OF THE PARTIES HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

*[Remainder of page intentionally left blank. Signature page follows.]*

**IN WITNESS WHEREOF** the Parties have executed this Share Purchase Agreement as of the date first above written.

**CHESSWOOD U.S. ACQUISITIONCO LTD.**

By: DocuSigned by:  
Tobias Rajchel  
21D7010A24114A9...  
Name: Tobias Rajchel  
Title: Director

**NORTH MILL EQUIPMENT FINANCE, LLC**

By: \_\_\_\_\_  
Name:  
Title:



**IN WITNESS WHEREOF** the Parties have executed this Share Purchase Agreement as of the date first above written.

**CHESSWOOD U.S. ACQUISITIONCO LTD.**

By: \_\_\_\_\_  
Name:  
Title:

**NORTH MILL EQUIPMENT FINANCE, LLC**

By: David Lee  
Name: David C. Lee  
Title: Chairman and CEO

**SCHEDULE A**  
**ASSUMED LIABILITIES**

1. Post-Closing Liabilities arising solely from the Retained Assets.

**SCHEDULE B**  
**EXCLUDED ASSETS**

1. The Equity Interests of Bishop Holdings LLC owned by Pawnee.

## SCHEDULE C

### EXCLUDED CONTRACTS

1. Consulting Agreement, dated September 22, 2021, by and between Pawnee Leasing Corporation and Perez Romo Leroux y Asociados PRL SA (brand name “Kin Analytics”)
2. Invoice, dated July 1, issued by R.C.M. Janitorial
3. Order Form, dated January 31, 2024, by and between Pawnee Leasing Corp and Thomson Reuters (Order Form subject to Thomson Reuters General Terms and Conditions (tr.com/us-general-terms-and-conditions))
4. Order Form, dated January 17, 2024, by and between Pawnee Leasing Corporation and DocuSign, Inc. (Order Form subject to DocuSign Master Services Agreement (dousing.com/legal/terms-and-conditions/msa))
5. PayNet Agreement, dated September 27, 2013, by and between Pawnee Leasing Corporation and Knowledge Works, Inc., d/b/a Paynet, Inc.
6. Service Agreement, dated November 13, 2000, by and between UCC Direct Services and Pawnee Leasing Corporation, as amended by Motor Vehicle Services Addendum, dated November 4, 2014, by and between Pawnee Leasing Corporation and CT Corporation System, and Secured Party Representation Services Addendum to Master Services Agreement, dated February 1, 2019
7. Non-Exclusive License Agreement, dated November 17, 2022, by and between Pawnee Leasing Corporation and Randall-Reilly, LLC, d/b/a Price Digests
8. Estimate, dated December 1, 2021, issued by Technology Essentials
9. Master Software and Service Agreement, dated May 27, 2021, by and between Pawnee Leasing Corporation and LTi Technology Solutions
10. Commercial Services Agreement, dated February 22, 2022, by and between Pawnee Leasing Corporation and Dedicated Financial GBC
11. U.S. Commercial Services Master Agreement, dated February 13, 2019, by and between Tandem Finance Inc. and Equifax Information Services LLC
12. SBFE Member Agreement for Commercial Solutions Services, dated November 1, 2009, by and between Pawnee Leasing Corporation and Equifax Information Services LLC
13. SBFE Membership Compliance and Indemnification Agreement, dated October 30, 2009, by and between Small Business Financial Exchange and Pawnee Leasing Corporation
14. Invoice, dated March 1, 2024, issued by Technology Essentials

15. Subscription Services Agreement, dated January 31, 2020, by and between Pawnee Leasing Corporation and Oracle America, Inc.
16. Lease Agreement, dated December 1, 2015, by and between HEO LLC and Pawnee Leasing Corporation, as amended by First Amendment to Lease dated August 19, 2016, Second Amendment to Lease dated April 25, 2018, Third Amendment to Lease dated July 28, 2020, Fourth Amendment to Lease dated May 21, 2022, and Fifth Amendment to Lease dated August 4, 2023
17. Limited Liability Company Agreement of Bishop Holdings LLC

**SCHEDULE D**  
**EXCLUDED LIABILITIES**

1. All Liabilities relating to the Excluded Assets.
2. All Liabilities other than the Assumed Liabilities.
3. All Liabilities of the Companies in respect of Employees.

## **SCHEDULE E**

### **PERMITTED ENCUMBRANCES**

1. Encumbrances created pursuant to or contemplated by any Securitization (including any Encumbrances resulting from any action taken with respect to any Securitization to consummate the Transactions contemplated by this Agreement).

**SCHEDULE F**  
**RETAINED ASSETS**

1. All Retained Contracts.
2. All Business Intellectual Property.
3. The CHW-PLC Portfolio.
4. 100% of the Equity Interests of Pawnee Receivable Company LLC, a Delaware limited liability company.
5. 100% of the Equity Interests of PLC Equipment Finance Fund LLC, a Delaware limited liability company.
6. 100% of the Equity Interests of Pawnee Receivable Fund III LLC, a Delaware limited liability company.
7. 100% of the Equity Interests of Pawnee Equipment Receivables (2020-1) LLC, a Delaware limited liability company.
8. 100% of the Equity Interests of Pawnee Equipment Receivables (2021-1) LLC, a Delaware limited liability company.
9. 100% of the Equity Interests of Pawnee Equipment Receivables (2022-1) LLC, a Delaware limited liability company.
10. The undivided trust interest of Pawnee Titling Trust, a Delaware trust.



## SCHEDULE G

### RETAINED CONTRACTS

1. Client Services Agreement, dated April 1, 2020, by and among Pawnee Leasing Corporation, Tandem Finance, and Concurrent HRO, LLC.
2. Internet Service License Agreement, dated December 19, 2011, by and between Vision Commerce, Inc. and Pawnee Leasing Corporation, as amended by Amendment to Internet Service License Agreement dated December 18, 2013.
3. Consulting Agreement, dated November 25, 2013, by and between Vision Commerce, Inc. and Pawnee Leasing Corporation.
4. Source Code License Agreement, dated July 18, 2017, by and between Vision Commerce, Inc. and Pawnee Leasing Corporation.
5. License Agreement, dated December 10, 2018, by and between Vision Commerce, a Constellation USA Financing Systems Company, and Tandem Finance, Inc. a wholly owned company of Chesswood Group Limited.
6. All servicing agreements for the servicing of Equipment loan and lease assets for which any Company serves as a servicer, including, but not limited to, any servicing agreement entered into pursuant to the Securitizations and Forward Flow Transactions.
7. All electronic collateral control agreements to which a Company is party.
8. All deposit account control agreements to which a Company is party.
9. All vehicle trust agreements and vehicle lienholder nominee agreements to which a Company is party.
10. All master receivables purchase agreements in respect of the Forward Flow Transactions.
11. Pawnee Equipment Receivables (Series 2020-1) LLC Amended and Restated Limited Liability Company Agreement dated September 29, 2020, by and between Pawnee Leasing Corporation, Orlando Figueroa, as independent manager, and Pawnee Receivable Company LLC.
12. Purchase and Contribution Agreement dated September 29, 2020 by and between Pawnee Leasing Corporation and Pawnee Equipment Receivables (Series 2020-1) LLC.
13. Pawnee Equipment Receivables (Series 2021-1) LLC Amended and Restated Limited Liability Company Agreement dated October 22, 2021, by and between Pawnee Leasing Corporation, Orlando Figueroa, as independent manager, and Pawnee Receivable Company LLC.
14. Purchase and Contribution Agreement dated October 22, 2021 by and between Pawnee Leasing Corporation and Pawnee Equipment Receivables (Series 2021-1) LLC.

15. Pawnee Equipment Receivables (Series 2022-1) LLC Amended and Restated Limited Liability Company Agreement dated August 11, 2022, by and between Pawnee Leasing Corporation, Orlando Figueroa, as independent manager, and Pawnee Receivable Company LLC.
16. Purchase and Contribution Agreement dated August 11, 2022 by and between Pawnee Leasing Corporation and Pawnee Equipment Receivables (Series 2022-1) LLC.
17. Pawnee Equipment Finance Fund LLC Amended and Restated Limited Liability Company Agreement dated April 29, 2021, by and between Pawnee Leasing Corporation, Orlando Figueroa, as independent manager, and Pawnee Receivable Company LLC.
18. Purchase and Contribution Agreement dated April 29, 2021 by and between Pawnee Leasing Corporation and PLC Equipment Finance Fund LLC.
19. Pawnee Receivable Fund III LLC Limited Liability Company Agreement dated June 26, 2019, by and between Pawnee Leasing Corporation, Orlando Figueroa, as independent manager, and Pawnee Receivable Company LLC.
20. Purchase and Contribution Agreement dated June 26, 2019 by and between Pawnee Leasing Corporation and Pawnee Receivable Fund III LLC.
21. Limited Liability Company Agreement of Pawnee Receivable Company LLC.

**CONFIDENTIAL APPENDIX “B-2” – UNREDACTED PAWNEE SPA**

(see attached)

**APPENDIX “C” – MONITOR’S CERTIFICATE re RIFCO TRANSACTION**

(see attached)

Court File No. CV-24-00730212-00CL

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

**(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF CHESSWOOD GROUP LIMITED, CASE FUNDING INC., CHESSWOOD  
HOLDINGS LTD., CHESSWOOD US ACQUISITIONCO LTD., PAWNEE  
LEASING CORPORATION, LEASE-WIN LIMITED, WINDSET CAPITAL  
CORPORATION, TANDEM FINANCE, INC., CHESSWOOD CAPITAL  
MANAGEMENT INC., CHESSWOOD CAPITAL MANAGEMENT USA INC.,  
RIFCO NATIONAL AUTO FINANCE CORPORATION, RIFCO INC.,  
WAYPOINT INVESTMENT PARTNERS INC. and 1000390232 ONTARIO INC.

**MONITOR'S CERTIFICATE**

**RECITALS**

1. Pursuant to the Initial Order of the Honourable Justice Kimmel of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated October 29, 2024 (as amended and restated on November 7, 2024, and as may be further amended, restated or supplemented from time to time), Chesswood Group Limited, Case Funding Inc., Chesswood Holdings Ltd., Chesswood US Acquisitionco Ltd., Pawnee Leasing Corporation, Lease-Win Limited, Windset Capital Corporation, Tandem Finance, Inc., Chesswood Capital Management Inc., Chesswood Capital Management USA Inc., Rifco National Auto Finance Corporation, Rifco Inc., Waypoint Investment Partners Inc. and 1000390232 Ontario Inc. (collectively, the "**CCAA Parties**" and each a "**CCAA Party**") were granted protection from their creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), and FTI Consulting Canada Inc. was appointed as the monitor (the "**Monitor**").

2. Pursuant to an Approval and Vesting Order (the “**Order**”) of the Court dated January 29, 2025, the Court *inter alia*, (i) approved the Purchase Agreement dated January 23, 2025 (as amended, and including the exhibits and schedules attached thereto, the “**Purchase Agreement**”) between Rifco Inc. (“**Rifco**”), Rifco National Auto Finance Corporation (“**Rifco Subsidiary**”, and together with Rifco, collectively, the “**Vendors**” and each, a “**Vendor**”) and Vault Auto Finance Corporation (“**Vault**”, with Vault or a permitted assignee thereof, as applicable, referred to herein as, the “**Purchaser**”), and the transactions contemplated therein (collectively, the “**Transactions**”), and (ii) provided for the transfer to and the vesting in the Purchaser of all of the Vendors’ right, title and interest in and to the Purchased Assets free and clear of all Claims and Encumbrances other than any Assumed Liabilities and Permitted Encumbrances, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Vendors and the Purchaser of a certificate confirming that (x) the Purchaser has paid the cash proceeds of the Purchase Price to the Monitor, on behalf of Vendors, pursuant to the Purchase Agreement, and (y) the Monitor has received written confirmation from the Vendors and the Purchaser that all conditions of closing the transactions contemplated under the Purchase Agreement (other than delivery of the Monitor’s Certificate) have been satisfied and/or waived by the Vendors and the Purchaser, as applicable.

3. Pursuant to the Order, the Monitor may rely on written notice from the Vendors and the Purchaser regarding satisfaction or waiver of conditions to closing under the Purchase Agreement or the Order.

4. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Order or Purchase Agreement, as applicable.

**THE MONITOR HEREBY CERTIFIES** the following:

1. The Purchaser has paid the cash proceeds of the Purchase Price to the Monitor, on behalf of Vendors, pursuant to the Purchase Agreement;
2. The Vendors and the Purchaser have each delivered written notice to the Monitor that all applicable conditions of closing under the Purchase Agreement (other than delivery of the Monitor's Certificate) have been satisfied and/or waived, as applicable; and
3. The Effective Time is deemed to have occurred at 2:40 p.m. (Eastern time) on February 14, 2025.

This Certificate was delivered by the Monitor at Toronto, Ontario on February 14, 2025.

DocuSigned by:

*Jeffrey Rosenberg*

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**FTI Consulting Canada Inc., solely in its  
capacity as Monitor of the CCAA Parties, and  
not in its personal capacity**

Court File No.: CV-24-00730212-00CL

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CHESSWOOD GROUP LIMITED, et al.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceeding Commenced at Toronto

**MONITOR'S CERTIFICATE**

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Lawyers for the Monitor



**APPENDIX “D” – NORTH MILL CONFIRMATION**

(see attached)



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Partner

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February 25, 2025

VIA EMAIL

Reference: 24242/1

**FTI Consulting Canada Inc.**

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Attention: Jeff Rosenberg

**Osler, Hoskin & Harcourt LLP**

1 First Canadian Place  
100 King Street West, Suite 6200  
Toronto, Ontario M5X 1B8

Attention: Marc Wasserman

**RE: CCAA Proceedings of Chesswood Group Limited et. al. (collectively, the “Applicants”)**  
**Re: Offer to Purchase Certain Interests of Pawnee Leasing Corporation**

We are counsel to North Mill Equipment Finance LLC (“**NMEF**”). This letter is being provided further to NMEF’s offer to purchase certain assets and equity interests of Chesswood US AcquisitionCo Ltd., Pawnee Leasing Corporation (“**PLC**”) and/or Tandem Finance Inc. (the “**NMEF Offer**”), and the discussions that have transpired among NMEF, FTI Consulting Canada Inc. in its capacity as the Court-appointed monitor of the Applicants (the “**Monitor**”), and counsel.

In connection with the sale and investment solicitation process of the Applicants, the NMEF Offer was submitted to the Monitor. The NMEF Offer proposes that NMEF will purchase certain assets of certain Applicants, primarily comprised of vehicles, vehicles leases, loans and equity interests, either directly or indirectly (the “**Purchased Assets**”).

NMEF intends to finance the NMEF Offer through a warehouse lender (a “**Warehouse Lender**”), and then securitize the Purchased Assets comprised of loans and leases immediately following the closing of the transaction contemplated by the NMEF Offer (the “**Closing**”), or to the extent the Purchased Assets are already part of a securitization program maintained by the applicable Applicants, to continue to service such securitized Purchased Assets through a subsidiary acting as a replacement servicer. In each case, NMEF will require that the new or existing securitization programs be rated by applicable rating agencies, such as Fitch Ratings Inc. and Moodys Investors Service, Inc. (collectively, the “**Rating**”).

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**Agencies**”). If the Rating Agencies will not rate the post-Closing securitization programs, NMEF will withdraw the NMEF Offer.

In discussions with the Warehouse Lenders and Rating Agencies (through the lead structuring agent to NMEF’s securitization program), some of which the Monitor and/or its counsel have participated in, NMEF has been advised that the Warehouse Lenders will not lend against, and the Rating Agencies will not permit Purchased Assets titled in the name of PLC to be included in the collateral of NMEF’s securitization programs. We understand that this restriction applies regardless of whether there is a power of attorney granting NMEF control of the underlying assets. We believe that the Purchased Assets could be lent against and included in the securitization program collateral if NMEF, or an entity owned or controlled by NMEF (including one or more titling trusts), holds title to the underlying Purchased Asset, and is noted on the applicable certificates of title as either title holder or lienholder, as applicable.

NMEF understands that the titled assets that make up the Purchased Assets (either directly or through leases or loans) number approximately 3500 vehicles, and are registered in all 50 US states.<sup>1</sup> Each of these assets would need to be manually re-titled, one at a time, in the department of motor vehicles of each applicable state, in order to transfer either legal title to the underlying vehicle, or to amend the registered lienholder against the underlying vehicle (the issues referred to in this paragraph, collectively, the “**Titling Issues**”). If the Titling Issues are not resolved, NMEF will not be able to finance the transaction through a Warehouse Lender, and the Purchased Assets titled in the name of PLC will not be included in NMEF’s securitization programs. As above, in such a circumstance, NMEF will withdraw the NMEF Offer. To be clear, while the Ratings Agencies have not positively confirmed to NMEF that the Purchased Assets will be included in the collateral if NMEF holds direct or indirect title, NMEF is willing to proceed with the NMEF Offer in the face of this risk, should the Titling Issues be addressed.

In addition to the foregoing Titling Issues, in order for the Purchased Asset securitization programs to be rated, NMEF will require approvals, waivers, consents (including, but not limited to, noteholder consents), agreements, amendments, payoff letters, powers of attorney and release documents in connection with (a) the transfer of equity to NMEF of Pawnee Receivable Fund III LLC, PLC Equipment Finance Fund LLC, Pawnee Equipment Receivables (Series 2020-1), LLC, Pawnee Equipment Receivables (Series 2021-1), LLC and Pawnee Equipment Receivables (Series 2022-1) LLC, (b) NMEF becoming the servicer of existing securitizations in accordance with the related transaction documents (including the servicer under any titling trust documentation), and (c) NMEF becoming the “settlor” under the existing titling trusts and holder or beneficiary of the corresponding unified trust certificates (collectively, the “**Consents**”). If the Consents are not delivered on Closing, NMEF will withdraw the NMEF Offer. We anticipate that obtaining the necessary Consents will require material time and expense to be incurred by the Monitor and the Applicants, pre-Closing.

Having consulted with the Warehouse Lenders and Rating Agencies, NMEF is firmly of the view that consummating the NMEF Offer through an asset purchase structure is not a reasonable path forward. However, the Titling Issues are entirely avoided, and the Consents are entirely unnecessary, if the NMEF Offer is structured as a share transaction, and consummated pursuant to a reverse vesting order (an

<sup>1</sup> NMEF understands that these vehicles are included in the following programs: Bancorp, EFF, PER 2020-1, PER 2021-1, PER 2022-1 and PRF III.

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“RVO”). The RVO structure would enable NMEF to purchase the equity of PLC, which would give NMEF direct or indirect ownership and control of each subsidiary of PLC (or titling trust) that is the registered title holder or lienholder of the underlying vehicle assets, and would obviate the need for the Consents.

An RVO structure would therefore solve the threshold issues that make getting the Purchased Assets titled in the name of PLC into NMEF’s securitization programs impossible, and avoid the considerable costs and delays presented by obtaining the Consents. NMEF is willing to proceed with the NMEF Offer under these circumstances.

In short, NMEF will only proceed with the NMEF Offer if it is structured as an equity purchase, and approved by the Court pursuant to an RVO. This is not a mere preference of NMEF, nor an attempt to avoid administrative costs and delays: it is a fundamental requirement of NMEF in order to close the NMEF Offer. If the Monitor is not prepared to proceed with an RVO structure, then the NMEF Offer will be withdrawn, and NMEF will require the immediate return of the deposit that was paid to the Monitor when the NMEF Offer was submitted.

\* \* \* \* \*

We would be pleased to discuss this matter further, and to coordinate communications with the applicable Rating Agencies, to the extent they are willing to participate.

Yours truly,

Chris Burr

Cc: D. Lee, *NMEF*  
Moore & VanAllen

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CHESSWOOD GROUP LIMITED, et al.

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

**FOURTH REPORT TO COURT SUBMITTED BY  
FTI CONSULTING CANADA INC., AS  
MONITOR**

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