

COURT FILE NUMBER

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COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

APPLICANT 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 COLLISION KINGS GROUP INC., CMD  
HOLDINGS INC., EAST LAKE COLLISION LTD., MAYLAND  
HEIGHTS COLLISION LTD., SUNRIDGE COLLISION LTD.,  
ARROW AUTO BODY LTD., CMD GLASS LTD., ROYAL VISTA  
COLLISION LTD., STATHKO INVESTMENTS LTD., 219931  
ALBERTA LTD., COLLISION KINGS 3 LTD., NICK'S REPAIR  
SERVICE LTD., 10026923 MANITOBA LTD. and BUNZY'S AUTO  
BODY LTD.

DOCUMENT

FOURTH REPORT OF FTI CONSULTING CANADA INC., IN ITS  
CAPACITY AS MONITOR OF COLLISION KINGS GROUP INC.,  
CMD HOLDINGS INC., EAST LAKE COLLISION LTD.,  
MAYLAND HEIGHTS COLLISION LTD., SUNRIDGE  
COLLISION LTD., ARROW AUTO BODY LTD., CMD GLASS  
LTD., ROYAL VISTA COLLISION LTD., STATHKO  
INVESTMENTS LTD., 219931 ALBERTA LTD., COLLISION  
KINGS 3 LTD., NICK'S REPAIR SERVICE LTD., 10026923  
MANITOBA LTD. and BUNZY'S AUTO BODY LTD.

**October 9, 2024**

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# FOURTH REPORT OF THE MONITOR

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## INTRODUCTION

1. On February 7, 2024, Collision Kings Group Inc. (“**CKGI**”), CMD Holdings Inc. (“**CMD Holdings**”), East Lake Collision Ltd. (“**East Lake**”), Mayland Heights Collision Ltd. (“**Mayland Heights**”), Sunridge Collision Ltd. (“**Sunridge**”), Arrow Auto Body Ltd. (“**Arrow**”), CMD Glass Ltd. (“**CMD Glass**”), Royal Vista Collision Ltd. (“**Royal Vista**”), Stathko Investments Ltd. (“**Stathko Investments**”), 2199931 Alberta Ltd. (“**219 Alberta**”), Collision Kings 3 Ltd. (“**CK3L**”), Nick’s Repair Service Ltd. (“**Nick’s Repair**”), 10026923 Manitoba Ltd. (“**100 Manitoba**”) and Bunzy’s Auto Body Ltd. (“**Bunzy’s**”) (collectively, the “**Applicants**” or the “**Collision Kings Group**”) were granted an initial order (the “**Initial Order**”) to commence proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”).
2. The Initial Order, granted, among other things, the following relief:
  - a. a stay of proceedings (the “**Stay of Proceedings**”) in favour of the Applicants until February 17, 2024;
  - b. appointed FTI Consulting Canada Inc. as Monitor (the “**Monitor**”) in these CCAA Proceedings;
  - c. approved the procedures for a sales and investment solicitation process (the “**SISP**”) and stalking horse purchase agreement (the “**Stalking Horse APA**”) dated January 31, 2024, between the Applicants and Lift Auto Group Operating Corporation (“**Lift**”). A copy of the Stalking Horse APA has been attached as Appendix A;

- d. granted certain court priority charges for individuals identified as critical to the operations and success of these CCAA Proceedings (collectively, the “**CCAA Charges**”). The CCAA Charges included:
    - i. first, an Administration Charge of \$500,000;
    - ii. second, a charge (the “**Interim Lender’s Charge**”) in favour of The Toronto Dominion Bank (“**TD Bank**”) which authorized the Applicants to obtain and borrowing funds up to \$600,000 under a credit facility (the “**Interim Facility**”) in order to finance the Applicants’ operations and restructuring efforts within these CCAA Proceedings; and
    - iii. third, a Directors Charge of \$400,000.
3. At the comeback hearing held on February 14, 2024, this Court granted the following relief:
- a. an amended and restated Initial Order (the “**ARIO**”) which provided for among other things:
    - i. an increase to the Interim Facility and the Interim Lender’s Charge from \$600,000 to \$1,125,000;
    - ii. the granting of a fourth-ranking charge against the Applicants’ property for a retention and incentive plan (“**RIP**”) in the amount of \$425,000;
    - iii. an extension of the Stay of Proceedings until and including March 29, 2024; and

- iv. a declaration that pursuant to section 5(5) of the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s.1 (“**WEPPA**”) that the Applicants and their former employees meet the criteria established by section 3.2 of the Wage Earner Protection Program Regulations, SOR/2008-222 (the “**WEPP Regulations**”) as of the date of the granting of the Stay Extension and WEPPA Order; and
      - b. a conditional sale approval and vesting order (the “**Stalking Horse SAVO**”) approving the Stalking Horse APA (including with any amendments resulting from the Stalking Horse Bidder’s participation in the Auction (as defined below)) and authorizing the Applicants to enter into the transaction contemplated therein, in the event the Stalking Horse APA was determined to be the Successful Bidder (as defined below).
4. The SISP resulted in a bid from a new purchaser that was superior to the Stalking Horse APA, which triggered an auction (“**Auction**”) pursuant to the terms of the SISP, which was held on March 13, 2024. After several rounds of bidding Lift was determined to be the Successful Bidder, through an improved asset purchase agreement (“**Enhanced Stalking Horse APA**”) with substantially enhanced economic recovery for the Collision Kings Group’s creditors as compared to the initial Stalking Horse APA.
5. On March 27, 2024, this Court granted the following relief:
  - a. an order (the “**March Stay Extension Order**”), which among other things:
    - i. extended the Stay of Proceedings until and including July 25, 2024;
    - ii. directed the receipts from the Enhanced Stalking Horse APA to be held in trust by the Monitor;

- iii. authorized and empowered (but did not oblige) the Monitor to apply any part of the receipts from the Enhanced Stalking Horse APA to: (i) repay any amounts owing under the Interim Financing Facility; (ii) pay the professional fees of the Monitor, counsel to the Monitor, and counsel to the Applicants, in each case at their standard rates and charges; and/or (iii) pay any operating costs and wind down costs relating the business of the Applicants, as necessary; and
    - iv. expanded the Monitor's powers to allow the Monitor to execute, assign, issue and endorse documents in respect of the Property and/or Business; and
  - b. an order (the "**Royal Vista Vesting Order**") vesting the assets included in the asset purchase agreement (the "**Royal Vista APA**") between Royal Vista and CMD Holdings (the "**Royal Vista Vendors**") and 5807698 Manitoba Ltd and 10191777 Manitoba Ltd. (collectively the "**Royal Vista Purchaser**") in the name of the Royal Vista Purchaser.
- 6. On July 18, 2024, this Court granted an order (the "**July Stay Extension Order**") extending the Stay of Proceedings until and including October 31, 2024.
- 7. On October 7, 2024, the Applicants filed a notice of application returnable on October 17, 2024, (the "**October 17 Application**"), seeking the following relief:
  - a. an order (the "**Stay Extension Order**") extending the Stay of Proceedings until and including December 17, 2024;
  - b. approval of the Monitor's fees and activities, including those of its legal counsel's, and the Applicants' legal counsel; and

- c. an interim distribution order (the “**Interim Distribution Order**”) authorizing and directing the Monitor to distribute certain receipts of the Applicants’ estate being held in trust by the Monitor, net of costs to complete the administration of these CCAA Proceedings, to the Applicants’ secured creditors (the “**Interim Distribution**”) <sup>1</sup>.

## PURPOSE

8. The purpose of this report (this “**Report**” or the “**Fourth Report**”) is to provide the Court and the Applicants’ stakeholders with information regarding the Applicants’ ongoing CCAA Proceedings and the Monitor’s comments with respect to materials filed by the Applicants in support of the October 17 Application:
  - a. a summary of the Monitor’s activities since its report dated July 18, 2024 (the “**Third Report**”);
  - b. a summary of the status of the Enhanced Stalking Horse APA;
  - c. a summary of the Applicants’ actual cash receipts and disbursements for the 12 week period ending October 6, 2024, as compared to the Third Cash Flow Statement that was presented to this Court as attached to the Third Report;

<sup>1</sup> The Monitor has defined the proposed distributions as “interim” to indicate that additional future distributions will be made, however certain of the payments will be in full satisfaction of the secured indebtedness owed by the Applicants.

- d. the Applicants' fourth CCAA cash flow statement (the "**Fourth CCAA Cash Flow Statement**") for the period commencing on October 7, 2024 and ending December 29, 2024;
- e. a summary of the receipts and disbursements of the funds held by the Monitor (the "**Funds in Trust**"). The Funds in Trust includes the receipts from the Enhanced Stalking Horse APA and the receipts from the Royal Vista APA and sale of the Applicants' remaining assets (collectively, the "**Sale Proceeds**");
- f. a summary of the Monitor's interim allocation of the Sale Proceeds;
- g. an application for a proposed Interim Distribution Order; and
- h. the Monitor's conclusions and recommendations with respect to the relief requested by the Applicants at the October 17 Application.

## TERMS OF REFERENCE

- 9. In preparing this report, the Monitor has relied upon certain information (the "**Information**") including the Applicants' unaudited financial information, books and records and discussions with senior management of the Collision Kings Group ("**Management**").
- 10. Except as described in this report, 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.



11. The Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
12. Future oriented financial information reported to be relied on in preparing this report is based on Management's assumptions regarding future events. Actual results may vary from forecast and such variations may be material.
13. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

#### **ACTIVITIES OF THE MONITOR**

14. The Monitor's activities since the date of the Third Report have included the following:
  - a. ongoing discussions with Management, the Collision Kings Group's legal counsel, (MLT Aikins LLP), Lift and various creditors regarding the Applicants' business and financial affairs, the completion of the Enhanced Stalking Horse APA and the final administrative tasks of the CCAA Proceedings;
  - b. reviewing and monitoring the Applicants' cash flows and providing liquidity to the Applicants from the Funds in Trust, as contemplated in the Third Cash Flow Statement;
  - c. monitoring and assisting the Applicants in their efforts to wind-down operations and complete final administrative matters in the CCAA Proceedings;
  - d. facilitating negotiations between the Applicants and Lift in regard to the working capital calculation (the "**Working Capital Calculation**") in accordance with s. 3.7(a) of the Enhanced Stalking Horse APA;

- e. preparing an analysis of the allocation of the Sale Proceeds between the Applicants' different operating entities and different operating jurisdictions as part of the application for the proposed Interim Distribution Order;
- f. reviewing an independent security review prepared by the Monitor's counsel ("**Security Review**") to determine the validity and enforceability of security interests held by the Collision Kings Group's various secured creditors over its multiple legal entities operating in various Provincial jurisdictions; and
- g. preparing this Report.

## **STATUS OF THE ENHANCED STALKING HORSE APA**

15. On March 15, 2024, the transaction contemplated by the Enhanced Stalking Horse APA between the Applicants and Lift closed, which included the purchase of the Applicants' working capital. The Enhanced Stalking Horse APA included a mechanism whereby working capital would be estimated on an interim basis at closing (the "**Interim Working Capital Amount**") and then finally determined through a reconciliation process 90 days after closing (the "**Final Working Capital Amount**"). At closing, Lift was required to pay \$1.0 million into trust with Lift's counsel (the "**Working Capital Escrow Amount**") to be released once the Final Working Capital Amount is determined.
16. The reconciliation process for the Final Working Capital Amount required Lift to complete the initial calculation, the Applicants were to review such initial calculation and respond with any objections, and the parties then had an opportunity to settle any differences. If the parties could not agree on the Final Working Capital Amount, the matter is to be finally determined by the Monitor in accordance with s. 3.7 (b) of the Enhanced Stalking Horse APA.

17. On October 2, 2024, the Monitor was advised that the parties could not agree on the Final Working Capital Amount and the Monitor has been engaged to make a final determination of the Closing Date Working Capital Amount in accordance with s.3.7 (b) of the Enhanced Stalking Horse APA.
18. The Monitor is in the process of preparing a list of submissions it will require from Lift and the Applicants. The Monitor intends to set a submission deadline, meet with both Lift and the Applicants to discuss their submissions and will then make a determination on the Final Working Capital Amount.
19. Pursuant to s. 3.7(c) of the Enhanced Stalking Horse APA:
  - a. if the Final Working Capital Amount is less than the \$1.0 million Working Capital Escrow Amount, Lift will instruct its counsel to pay the Monitor the Final Working Capital Amount from the Working Capital Escrow Amount and return the balance to Lift; and
  - b. if the Final Working Capital Amount is greater than the Working Capital Escrow Amount, Lift will instruct its counsel to pay the Working Capital Escrow Amount to the Monitor and Lift will make payment of the balance of the Final Working Capital Amount to the Monitor.
20. Once finally determined, the Monitor expects Lift will settle the payment of the Final Working Capital Amount pursuant to the definition of the Adjusted Payment Date in the Enhanced Stalking Horse APA, which requires that the Monitor receive the Final Working Capital Amount within five business days of the Monitor's determination of the Final Working Capital Amount.

## SECURITY REVIEW

21. The Monitor’s counsel has reviewed the security interests relating to the assets of the Applicants and has provided the Monitor with the independent Security Review, subject to customary assumptions and qualifications.
22. The Security Review included a review of the security granted in favour of TD Bank and other secured creditors of the Applicants in the jurisdictions where the Applicants had operations. The individual entities comprising the Collision Kings Group are incorporated in either Alberta, Saskatchewan, Manitoba or Ontario, however, the Applicants did not have any operations or assets with recoverable value in Ontario.
23. The Monitor’s counsel has reviewed the security held by the Applicants’ secured creditors and opined that TD Bank holds valid and enforceable security registered first in time against all present and after acquired personal property of CMD Holdings, East Lake, Mayland Heights, Sunridge, Arrow, CMD Glass, Royal Vista, Stathko Investments, 219 Alberta, CK3L, and CKGI (collectively, the “**TD Secured Debtors**”) in Alberta, Saskatchewan and Manitoba..
24. The Monitor’s counsel has reviewed the security held by the Applicants’ secured creditors in Manitoba and opined the following in regard to their relative priority:
  - a. the security held by Royal Bank of Canada (“**RBC**”) with respect to 100 Manitoba and Nick’s Repair is valid and enforceable, and is in first priority;
  - b. the security held by Gail White and Garth White (collectively, the “**Whites**”) with respect to 100 Manitoba is valid and enforceable, and is in second priority;

c. the security held by Access Credit Union (“ACU”) with respect to Bunzy’s is valid and enforceable, and is in first priority. For ease of reference the Monitor has prepared the table in paragraph [26] below to summarize the secured creditors with security over the various legal entities within the Collision Kings Group.

25. The TD Secured Debtors, Nick’s Repair, 100 Manitoba and Bunzy’s (collectively, the “**Distribution Parties**”) encompass all of the entities of Applicants, separated into groupings based on each’s unique set of secured creditors. The Monitor has included an organizational chart showing all of the Applicants and which of the Distribution Parties they fall under to in Appendix B.

26. The priority of the secured creditors for each of the Distribution Parties is shown in the table below:

**Summary of Secured Creditor Priority**

	Manitoba			AB, SK & MB
	Nick's Repair	100 Manitoba	Bunzy's	TD Secured Debtors
First Secured	RBC	RBC	ACU	TD Bank
Second Secured		Whites		

### THIRD CASH FLOW STATEMENT

27. The Applicants' actual cash flow in comparison to those contained in the Third Cash Flow Statement for the period of July 15, 2024 to October 6, 2024 are summarized below:

<b>12 Week Period Ending Oct 6, 2024</b>			
<i>(CAD\$)</i>	<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>
<b>RECEIPTS</b>			
Receipts	\$ -	\$ -	\$ -
<b>DISBURSEMENTS</b>			
<i>Operating Disbursements</i>			
Employee Expenses	(21,159)	(35,400)	14,241
Rent	-	-	-
Operating Expenses	(20,445)	(95,495)	75,050
Parts Purchases	-	-	-
Miscellaneous Expenses	-	-	-
<i>Total Operating Disbursements</i>	<u>(41,604)</u>	<u>(130,895)</u>	<u>89,291</u>
<b>Net Operating Cash Flow</b>	<b>\$ (41,604)</b>	<b>\$ (130,895)</b>	<b>\$ 89,291</b>
<i>Non-Operating Receipts &amp; Disbursements</i>			
<i>Professional Fees</i>	(55,987)	(158,117)	102,130
<i>Total Non-Operating Receipts &amp; Disbursements</i>	<u>(55,987)</u>	<u>(158,117)</u>	<u>102,130</u>
<b>NET CASH FLOWS</b>	<b>\$ (97,590)</b>	<b>\$ (289,011)</b>	<b>\$ 191,421</b>
<b>CASH</b>			
Beginning Balance	2,368	2,368	-
<i>Interim Financing (Draw)</i>	-	-	-
Use of Sale Proceeds	100,000	290,000	(190,000)
Net Cash Inflows / (Outflows)	(97,590)	(289,011)	191,421
<b>ENDING CASH</b>	<b>\$ 4,778</b>	<b>\$ 3,357</b>	<b>\$ 1,421</b>
<b>INTERIM FINANCING FACILITY</b>			
Opening	1,125,000	-	1,125,000
Draw/ (Repayment)	-	-	-
<b>ENDING INTERIM FINANCING FACILITY</b>	<b>\$ 1,125,000</b>	<b>\$ -</b>	<b>\$ 1,125,000</b>

28. The material variances in actual receipts and disbursements as compared to the Third Cash Flow Statement are primarily due to the following:

- a. a favourable permanent variance for disbursements of approximately \$89,000, primarily comprised of the following:
    - i. a favourable variance of approximately \$14,000 relating to employee expenses being lower due to a wind-down of operations occurring quicker than forecast; and
    - ii. a favourable variance of approximately \$75,000 of which approximately \$70,000 is timing related and expected to be paid in future periods and \$5,000 of which is lower than forecast due to a wind-down of operations occurring faster than forecasted;
  - b. the favourable variance for professional fees of approximately \$102,000 relates to the timing of payment of invoices for professionals and is expected to reverse in future periods; and
  - c. the Applicants' net cash flow showed a positive variance of approximately \$191,000 which resulted in the Applicants' draw against the Funds in Trust being approximately \$190,000 less than forecast.
29. The Interim Financing has been repaid by the Funds in Trust and as such this expense is not included in the Third Cash Flow Statement.
30. As at October 6, 2024, the Applicants have an ending cash balance of approximately \$5,000.

## FOURTH CASH FLOW STATEMENT

31. Management has prepared the Fourth Cash Flow Statement to set out the Applicants' liquidity requirements for the 12 weeks ending December 29, 2024 (the "Forecast Period"). A copy of the Fourth Cash Flow Statement is attached as Appendix C. The Fourth Cash Flow Statement is summarized as follows:

(CAD)	12-Week Forecast
Forecast Week	Total
<b>RECEIPTS</b>	
Receipts	-
<b>DISBURSEMENTS</b>	
<i>Operating Disbursements</i>	
Employee Expenses	(22,000)
Operating Expenses	(77,658)
<i>Total Operating Disbursements</i>	(99,658)
<b>Net Operating Cash Flow</b>	<b>\$ (99,658)</b>
<i>Non-Operating Receipts &amp; Disbursements</i>	
Professional Fees	(252,172)
<i>Total Non-Operating Receipts &amp; Disbursements</i>	(252,172)
<b>NET CASH FLOWS</b>	<b>\$ (351,829)</b>
<b>CASH</b>	
Beginning Balance	\$ 4,778
Interim Financing (Draw)	-
Use of Sale Proceeds	355,000
Net Cash Inflows / (Outflows)	(351,829)
<b>ENDING CASH</b>	<b>\$ 7,949</b>

32. The key assumptions on which the Fourth Cash Flow Statement is based on are summarized as follows:



- a. no collections of receipts as all accounts receivable, work in progress and prepaids were purchased pursuant to the Enhanced Stalking Horse APA;
  - b. consultant expenses of approximately \$22,000 relating to payment of contractors during the wind-down of the Applicants' operations and completion of final tax returns;
  - c. operating expenses of approximately \$78,000 relating to miscellaneous general and administrative expenses, franchise fees, software and other subscriptions required to maintain the Applicants' data back ups and corporate records; and
  - d. professional fees of approximately \$252,000 for the Applicants' counsel, the Monitor and Monitor's counsel, including accrued work in progress and unpaid invoices as well as estimated cost to complete the CCAA Proceedings.
33. The Fourth Cash Flow Statement shows that the Applicants' will have negative net cash flows (inclusive of professional fees) of approximately \$352,000. The Applicants are shown to require an additional approximately \$355,000 to operate through the Forecast Period which will be provided by the Monitor from the Funds in Trust.
34. The Applicants are currently forecast to have approximately \$8,000 in cash on hand at the end of the Forecast Period.

## MONITOR'S RECEIPTS AND DISBURSEMENTS

35. The Monitor's interim statement of cash receipts and disbursements for the period of March 7, 2024 to September 30, 2024 is summarized below:

For the period of March 7 to September 30, 2024	
<i>(\$C 000's)</i>	
<b>Receipts</b>	
Proceeds	
Enhanced Stalking Horse APA	\$ 10,188
Royal Vista APA	115
CK Auto Ramsay Transaction Proceeds	17
CK Auto Foothills Equipment Sales	9
Bank Account Interest	188
<b>Total Receipts</b>	<b>\$ 10,516</b>
<b>Disbursements</b>	
Proceeds advanced to Company for Operations	(1,535)
Repayment of DIP	(1,183)
Burnsland Closing Costs	(70)
<b>Total Disbursements</b>	<b>\$ (2,788)</b>
<b>Cash on Hand</b>	<b>\$ 7,728</b>

36. The Monitor has collected the Sale Proceeds which total approximately \$10.3 million following the closing of the Enhanced Stalking Horse APA, Royal Vista APA and sales of the assets related to CK Auto Ramsay and CK Auto Foothills (collectively the “**Remaining Asset Sales**”). The Monitor has also collected interest in its trust account of approximately \$188,000, for total receipts of approximately \$10.5 million.
37. In accordance with the March Stay Extension Order, the Monitor has made the following distributions:

- a. approximately \$1.5 million to the Applicants to fund operations and for the payment of professional fees as laid out in greater detail in the previous section of this Report; and
  - b. repayment of the Interim Facility in the amount of approximately \$1.2 million. The amounts repaid under the Interim Facility include the principal borrowings, accrued interest and fees and disbursements owed to the Interim Lender.
38. The proceeds from the Enhanced Stalking Horse APA are shown net of the approximately \$70,000 in closing costs related to Arrow’s operations, for purposes of the allocation analysis presented later in this Report.
39. The Monitor is holding approximately \$7.7 million of Funds in Trust as at September 30, 2024. The Funds in Trust are the sole source of funding for the remainder of these CCAA Proceedings and the Monitor has proposed to retain certain of these funds to ensure the Applicants have sufficient liquidity to complete the administration of these CCAA Proceedings.

## **PROPOSED INTERIM DISTRIBUTION**

### **ALLOCATION OF THE FUNDS IN TRUST**

40. As at the date of this Report, the Monitor has collected \$10.3 million in Sale Proceeds. To determine the amount of the proposed Interim Distribution to each of the Applicants’ secured creditors, the Monitor has prepared an allocation of the Sale Proceeds (the “**Interim Allocation**”) between Nick’s Repair, 100 Manitoba, Bunzy’s and the TD Secured Debtors (collectively, the “**Distribution Parties**”). The Distribution Parties represent the different groupings of the Applicants, which have unique secured creditors.
41. The Interim Allocation is based on the following:

- a. receipts from the Enhanced Stalking Horse APA are allocated based on the purchase price allocation included as Schedule 3.2 of the Enhanced Stalking Horse APA. For clarity and ease of reference, the Monitor has included a summary of the final purchase price allocation from the Enhanced Stalking Horse APA as Appendix D;
- b. receipts from Royal Vista APA have been allocated to Royal Vista, which is included as part of the TD Secured Debtors;
- c. receipts from the Remaining Asset Sales have been allocated to Mayland and CMD Glass which are included as part of the TD Secured Debtors; and
- d. cure costs relating to the lease agreements transferred to Lift through the Enhanced Stalking Horse APA were allocated to Arrow which is included as part of the TD Secured Debtors.

42. The following table summarizes the Interim Allocation:

**Interim Allocation**

	Manitoba			AB, SK & MB	Total
	Nick's Repair	100 Manitoba	Bunzy's	TD Secured Debtors	
Interim Proceeds	\$ 47,500	\$ 600,000	\$ 1,045,000	\$ 8,636,057	\$ 10,328,557
Cure Costs				(69,788)	(69,788)
<b>Net Interim Proceeds</b>	<b>\$ 47,500</b>	<b>\$ 600,000</b>	<b>\$ 1,045,000</b>	<b>\$ 8,566,268</b>	<b>\$ 10,258,768</b>
<i>Percentage of Net Interim Proceeds</i>	<i>0.5%</i>	<i>5.8%</i>	<i>10.2%</i>	<i>83.5%</i>	

**FUNDS FOR INTERIM DISTRIBUTION**

43. The Interim Allocation shows net interim proceeds of \$10.3 million (the “**Net Interim Proceeds**”). A copy of the

44. The Net Interim Proceeds have accrued interest in the Monitor’s trust account, have been utilized to fund the wind-down of the Applicants’ operations and to repay the Interim Facility. All of these amounts have a shared cost/benefit to the estate as a whole and therefore the Monitor has adjusted the Net Interim Proceeds for these amounts.
45. The Monitor has identified one expense paid by the Applicants as having a disproportional benefit to certain of the Applicants. This expense of approximately \$19,000 is the cost incurred by the Monitor’s counsel to complete the security review of the Applicants’ assets in Manitoba (the “**Manitoba Security Review**”). The Monitor has added this cost back to its cash on hand to arrive at the funds available for the proposed Interim Distribution (the “**Funds for Interim Distribution**”). The Monitor has summarized the calculation of the Funds for Interim Distribution below:

<b>Funds for Interim Distribution</b>	
<b>Net Interim Proceeds</b>	\$ 10,258,768
<b>Other Process Receipts/ (Costs)</b>	
Bank Account Interest	187,625
Repayment of the Interim Facility	(1,183,185)
Proceeds utilized for CCAA Wind-down	(1,535,000)
<b>Monitor's Cash on Hand</b>	<b>\$ 7,728,209</b>
<b>Adjustments</b>	
Manitoba Security Review	18,808
<b>Funds for Interim Distribution</b>	<b>\$ 7,747,016</b>

46. The available Funds for Interim Distribution are approximately \$7.7 million.

#### **PROPOSED INTERIM DISTRIBUTION**

47. The Monitor has used the allocation percentages from the Interim Allocation table above to calculate the Funds for Interim Distribution between the Distribution Parties. From this allocated amount the Monitor has deducted the following:

- a. the Manitoba Security Review split between Nick’s Repair, 100 Manitoba and Bunzy’s (collectively, the “**Manitoba Parties**”); and
- b. an estimated holdback of \$795,000 (the “**Holdback**”) for the costs to complete the administration of these CCAA Proceedings and for amounts to be distributed in respect of the RIP, split between the Distribution Parties based on each’s percentage of Net Interim Proceeds. The Monitor has provided a summary of the Holdback later in this Report.
48. From the Funds for Interim Distribution, net of the Manitoba Security Review and the Holdback, the Monitor is proposing the make the Interim Distribution as laid out in the following table:

**Proposed Interim Distributions**

	Manitoba			AB, SK & MB	Total
	Nick's Repair	100 Manitoba	Bunzy's	TD Secured Debtors	
<b>Interim Allocation</b>					
Allocation from Net Interim Proceeds	0.5%	5.8%	10.2%	83.5%	
<b>Funds for Interim Distribution - Allocated</b>	<b>\$ 35,870</b>	<b>\$ 453,096</b>	<b>\$ 789,143</b>	<b>\$ 6,468,907</b>	<b>\$ 7,747,016</b>
Manitoba Security Review	(6,269)	(6,269)	(6,269)	-	(18,808)
Holdback	(3,681)	(46,497)	(80,982)	(663,840)	(795,000)
<b>Net Funds for Interim Distribution</b>	<b>25,920</b>	<b>400,330</b>	<b>701,892</b>	<b>5,805,067</b>	<b>6,933,209</b>
<b>Proposed Interim Distributions</b>					
Deemed Trust Claims	(10,967)	-	(9,430)	(225,682)	(246,080)
RBC	(14,953)	(208,372)			(223,325)
Whites		(114,982)			(114,982)
ACU			(486,250)		(486,250)
TD Bank				(5,500,000)	(5,500,000)
<b>Potential Future Distributions to Creditors</b>	<b>-</b>	<b>76,975</b>	<b>206,212</b>	<b>79,385</b>	<b>362,572</b>

49. The proposed Interim Distribution is as follows:

- a. \$246,080 allocated from Nick's Repair, Bunzy's and the TD Secured Debtors to the Receiver General of Canada to fully satisfy each of the deemed trust claims submitted by the Canada Revenue Agency against these entities for source deduction amounts owed;
  - b. \$223,325 allocated from Nick's Repair and 100 Manitoba to fully satisfy the secured indebtedness owed to RBC. The Monitor has assumed that proceeds available for distribution to RBC from Nick's Repair and 100 Manitoba are paid pro-rata based on the value realized for the assets within each entity until all of the proceeds from Nick's Repair have been used, thereafter, the proceeds from 100 Manitoba are used to repay RBC's secured indebtedness;
  - c. \$114,982 allocated from 100 Manitoba to fully satisfy the secured indebtedness owed to the Whites;
  - d. \$486,250 from the Net Interim Proceeds allocated to Bunzy's to fully satisfy the secured indebtedness owed to ACU; and
  - e. \$5.5 million from the Net Interim Proceeds allocated to the TD Secured Debtors as partial satisfaction of the indebtedness secured owed to TD Bank.
50. The Monitor is not proposing to distribute all of the Funds for Interim Distribution allocated to 100 Manitoba, Bunzy's and the TD Secured Debtors, as it is expected that additional receipts relating to the Closing Date Working Capital will be collected and increase the receipts relating to the Distribution Parties. Once all receipts have been collected, the Monitor will apply to this Court for approval to complete a final distribution of all remaining funds held within the Applicants' estates, including the Funds in Trust.

## FUNDS TO BE RETAINED BY THE MONITOR

51. The Monitor is proposing for the Holdback to be retained by the Monitor for the estimated costs to complete the administration of these CCAA Proceedings. The Monitor is also proposing to retain certain of the Funds in Trust for amounts that are expected to be distributed to creditors of the Applicants at a later date. The following table shows the funds the Monitor is proposing to retain:

**Funds to be Retained by the Monitor**

	Manitoba			AB, SK & MB	Total
	Nick's Repair	100 Manitoba	Bunzy's	TD Secured Debtors	
RIP					\$ 435,351
Estimate for CCAA Wind-down					355,000
Contingency					4,649
<b>Holdback</b>					<b>795,000</b>
Potential Future Distribution to Creditors	-	76,528	206,212	79,385	362,124
<b>Retained Funds in Trust</b>					<b>\$ 1,157,124</b>

52. The proposed funds to be retained by the Monitor include:

- a. amounts owed under the RIP which include a base payment of \$425,000 plus a percentage bonus on estate recoveries over a certain threshold;
- b. the estimate to complete the wind-down of these CCAA Proceedings which is equal to the forecasted advances by the Monitor of the Funds in Trust to the Applicants as shown in the Fourth Cash Flow Statement;
- c. a small contingency; and
- d. funds allocated to 100 Manitoba, Bunzy's and the TD Secured Debtors, that will be retained by the Monitor for distribution at a later date.



53. In addition to the above the Monitor expects to collect additional funds for the estate in relation to the Final Working Capital Amount once it is settled. The Monitor intends to make future application to seek distribution of additional recoveries.

## **NEXT STEPS**

54. The steps necessary to complete the administration of these CCAA Proceedings (the “**Next Steps**”) include:
- a. the Monitor will facilitate the mediation of the working capital dispute and make a determination of the Final Working Capital Amount due by Lift to the Applicants;
  - b. the Monitor will collect the Final Working Capital Amount from Lift once settled;
  - c. the Applicants will complete the wind-down of their operations including completing their final tax returns;
  - d. the Monitor will calculate final distributions and make an application to this Court to seek approval to distribute any remaining cash held by the Applicants or the Monitor in accordance with the Security Review; and
  - e. applying to this Court to seek the discharge of the Monitor and the termination of these CCAA Proceedings.

## **APPROVAL OF THE ACTIVITIES OF THE MONITOR**

55. The proposed Stay Extension Order seeks the approval of the conduct and activities of the Monitor described in this Report.

56. As outline in this Report (as well as the Monitor’s previous reports to this Court), the Monitor and its counsel have played and continue to play, a significant role in these CCAA Proceedings. The Monitor respectfully submits that its actions, conduct and activities in these CCAA Proceedings have been carried out in good faith and in accordance with the provisions of the orders issued therein and should therefore be approved.

**APPROVAL OF THE FEES OF THE MONITOR, MONITOR’S COUNSEL AND APPLICANTS’ COUNSEL**

57. Pursuant to paragraphs 29 of the ARIO, the Monitor Monitor’s counsel and the Applicants’ counsel shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these CCAA Proceedings.

58. The total fees and disbursements of the Monitor for the period from July 1, 2024 to September 30, 2024 are \$30,851.96 inclusive of GST in the amount of \$1,469.14. The total fees and disbursements of the Monitor’s Counsel for the period from July 1, 2024 to September 30, 2024 are \$13,719.37 inclusive of GST in the amount of \$652.25. The Monitor and its counsel will make copies of their accounts available upon request.

59. The total fees and disbursements of the Applicants’ counsel for these CCAA Proceedings for the period from July 1, 2024 to September 30, 2024 are \$37,580.20 inclusive of GST and PST in the amount of \$3,995.59. The Applicants’ counsel will make copies of their accounts available upon request.

60. The Monitor respectfully submits that the fees and disbursements incurred by the Monitor, its counsel and the Applicants’ counsel, as described above, are fair and reasonable in light of the following:

- a. the Monitor's role in collecting and holding the Funds in Trust as well as advancing portions to the Applicants to fund the wind-down of their operations;
  - b. the Applicants' counsel's role in preparing for and conducting the negotiations in regard to the Working Capital Calculation;
  - c. the Monitor's and Monitor's counsel's role in facilitating the negotiations in regard to the Working Capital Calculation, preparing the Interim Allocation and the proposed Interim Distributions;
  - d. the assistance provided to the Applicants with the winding down of their business operations through these CCAA Proceedings; and
  - e. drafting and reviewing various application materials in respect of these CCAA Proceedings.
61. The fees and disbursements incurred and to be incurred by the Monitor, its counsel and the Applicants' counsel to complete the administration of these CCAA Proceedings are forecast in the Fourth Cash Flow Statement. The Monitor intends to seek approval for these additional fees at a later application.

#### **CORRECTIONS TO FEE APPROVAL AMOUNTS FROM THE THIRD REPORT**

62. In the Third Report at paragraph 24, the Monitor quoted the total fees and disbursements of the Monitor's counsel for the period from March 1, 2024 to June 30, 2024 to be "\$71,129.23 inclusive of GST in the amount of \$3,324.64". The Monitor wishes to correct this to be \$71,129.23 inclusive of GST and PST in the combined amount of \$4,435.54.
63. In the Third Report at paragraph 35, the Monitor erroneously quoted the total fees and disbursements of the Applicants' counsel for the period of March 1, 2024 to June 30, 2024

to be “\$139,444.08,739.14 inclusive of GST and PST in the amount of \$6,144.02”. This was a typographical error and the Monitor intended this to be \$139,444.08 inclusive of GST and PST in the combined amount of \$6,144.02.

## **EXTENSION OF THE STAY OF PROCEEDINGS**

64. The Monitor has considered the Applicants’ application for the extension of the Stay of Proceedings to December 17, 2024, and has the following comments:
- a. with access to the Funds in Trust, the Applicants are projected to have sufficient available liquidity to fund their obligations and the costs of the CCAA Proceedings during the term of the proposed extension to the Stay of Proceedings;
  - b. there will be no material prejudice to the Applicants’ creditors and other stakeholders as a result of the extension of the Stay of Proceedings;
  - c. the Applicants have acted and continue to act in good faith and with due diligence;
  - d. the extension of the Stay of Proceedings allows the Monitor and the Applicants the time required to facilitate the settlement and collection of the Final Working Capital Amount and make distribution of such funds to the benefit of the creditors; and
  - e. the length of the proposed Stay of Proceedings of approximately two months is reasonable given the timelines necessary to complete the Next Steps.

## CONCLUSIONS AND RECOMMENDATIONS

65. The Monitor is of the view that the relief requested by the Applicants is necessary, reasonable and justified in the circumstances.
66. Accordingly, the Monitor respectfully recommends that this Court grant:
- a. the Stay Extension Order; and
  - b. the Interim Distribution Order.

\*\*\*\*\*

All of which is respectfully submitted this 9<sup>th</sup> day of October 2024.

**FTI Consulting Canada Inc.,**  
in its capacity as Monitor of  
the Collision Kings Group  
and not in its personal or corporate capacity



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Dustin Olver, CA, CPA, CIRP, LIT  
Senior Managing Director  
FTI Consulting Canada Inc.

# **Appendix A**

**EXECUTION VERSION**

**ASSET PURCHASE AGREEMENT**

**by and among**

**2199931 ALBERTA LTD.**

**and**

**COLLISION KINGS 3 LTD.**

**and**

**ARROW AUTO BODY LTD.**

**and**

**SUNRIDGE COLLISION LTD.**

**and**

**EAST LAKE COLLISION LTD.**

**and**

**STATHKO INVESTMENTS LTD.**

**and**

**NICK'S REPAIR SERVICE LTD.**

**and**

**10026923 MANITOBA LTD.**

**and**

**BUNZY'S AUTO BODY LTD.**

**and**

**CMD HOLDINGS INC.**

**and**

**ROYAL VISTA COLLISION LTD.**

**and**

**CMD GLASS LTD.**

**and**

**MAYLAND HEIGHTS COLLISION LTD.**

**and**

**LIFT AUTO GROUP OPERATING CORPORATION**



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**ASSET PURCHASE AGREEMENT**

THIS AGREEMENT is made effective as of the 13th day of March, 2024.

AMONG:

**2199931 ALBERTA LTD.**, a company duly incorporated in the Province of Alberta with a registered and records office at 2200, 10235 - 101 Street NW, Edmonton, Alberta T5J 3G1

(**"2199931"**)

AND:

**COLLISION KINGS 3 LTD.**, a company duly incorporated in the Province of Alberta with a registered and records office at 2200, 10235 - 101 Street NW, Edmonton, Alberta T5J 3G1

(**"Kings"**)

AND:

**ARROW AUTO BODY LTD.**, a company duly incorporated in the Province of Alberta with a registered and records office at 2100, 222 – 3 Avenue, SW, Calgary, Alberta T2P 0B4

(**"Arrow"**)

AND:

**SUNRIDGE COLLISION LTD.**, a company duly incorporated in the Province of Alberta with a registered and records office at 2100, 222 – 3 Avenue, SW, Calgary, Alberta T2P 0B4

(**"Sunridge"**)

AND:

**EAST LAKE COLLISION LTD.**, a company duly incorporated in the Province of Alberta with a registered and records office at 2100, 222 – 3 Avenue, SW, Calgary, Alberta T2P 0B4

(**"East Lake"**)

AND:

**STATHKO INVESTMENTS LTD.**, a company duly incorporated in the Province of Alberta with a registered and records office at 2100, 222 – 3 Avenue, SW, Calgary, Alberta T2P 0B4

(**"Stathko"**)

AND:

**NICK'S REPAIR SERVICE LTD.**, a company duly amalgamated in the Province of Manitoba with a registered and records office at 30<sup>th</sup> Floor – 360 Main Street, Winnipeg, MB R3C 4G1

(“**Nick's Repair**”)

AND:

**10026923 MANITOBA LTD.**, a company duly amalgamated in the Province of Manitoba with a registered and records office at 30<sup>th</sup> Floor – 360 Main Street, Winnipeg, MB R3C 4G1

(“**10026923**”)

AND:

**BUNZY'S AUTO BODY LTD.**, a company duly amalgamated in the Province of Manitoba with a registered and records office at 30<sup>th</sup> Floor – 360 Main Street, Winnipeg, MB R3C 4G1

(“**Bunzy**”)

AND:

**ROYAL VISTA COLLISION LTD.**, a company duly incorporated in the Province of Alberta with a registered and records office at 4600 112 Ave SE, Calgary, AB T2C 2K2

(“**Royal Vista**”)

AND:

**CMD GLASS LTD.**, a company duly incorporated in the Province of Alberta with a registered and records office at 3039 Underhill Dr NW, Calgary AB T2N 4E4

(“**CMD Glass**”)

AND:

**MAYLAND HEIGHTS COLLISION LTD.**, a company duly incorporated in the Province of Alberta with a registered and records office at 3039 Underhill Dr NW, Calgary AB T2N 4E4

(“**Mayland**”)

AND:

**CMD HOLDINGS INC.**, a company duly amalgamated in the Province of Alberta with a registered and records office at 2100, 222 – 3 Avenue, SW, Calgary, Alberta T2P 0B4

(“**CMD Holdings**” and together with 2199931, Kings, Arrow, Sunridge, East lake, Stathko, Nick’s Repair, 10026923, Bunzy, Royal Vista, CMD Glass, and Mayland the “**Vendors**” and each of them individually a “**Vendor**”)

AND:

**LIFT AUTO GROUP OPERATING CORPORATION**, a company duly amalgamated and having a registered and records office at 1800-1631 Dickson Avenue, Kelowna, B.C. V1Y 0B5;

(the “**Purchaser**”)

**WHEREAS:**

- A. The Purchaser and Vendors entered into a stalking horse asset purchase agreement dated January 31, 2024 (the “**Original APA**” or the “**Original Bid**”) subject to the SISP Procedure approved by the Court;
- B. Another Qualified Bid was received in the sales and investment solicitation process and the Monitor has determined that an Auction be held in accordance with the SISP Procedure (as each such term is defined in the SISP Procedure).
- C. The Purchaser wishes to participate in the Auction and has agreed to purchase the Purchased Assets (as defined below) on the terms and conditions set out herein.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the premises and of the covenants, agreements, representations and warranties set out below, the parties covenant and agree as follows:

## **1. INTERPRETATION**

### **1.1 Definitions**

In this Agreement, unless there is something in the subject matter or context inconsistent therewith or unless otherwise specifically provided:

- (a) “**Accounting Standards**” means the accounting standards that the Chartered Professional Accountants of Canada (“**CPAC**”) have determined are applicable to the Vendors, based on the nature of the Vendors, and, if CPAC has determined that the Vendors may choose between two sets of standards, then it means the set of standards the Vendors have chosen to have apply to them;
- (b) “**Accounts Receivable**” means all accounts receivable, trade accounts, notes receivable and other debts owing to the Vendors, including specifically all future or potential accounts receivable related to or arising from files “completed and closed” and files “completed but not closed”. For greater clarity “completed but not closed files” requires that a customer’s vehicle has been returned to them upon completion of repairs.
- (c) “**Adjustment Payment Date**” means the fifth Business Day after the final determination of the Closing Date Working Capital;

- (d) **“Affiliate”** of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, in each case, whether directly or indirectly through one or more intermediaries, and “control” and any derivation thereof means the control by one Person of another Person in accordance with the following: a Person (“A”) controls another Person (“B”) where A has the power to determine the management and policies of B by contract or status (for example, the status of A being the general partner of B) or by virtue of beneficial ownership of a majority of the voting interests in B; and, for certainty and without limitation, if A owns shares to which are attached more than 50% of the votes permitted to be cast in the election of directors (or other Persons performing a similar role) of B, then A controls B for this purpose;
- (e) **“Agreement”** means this Agreement and all other recitals and schedules, as amended and supplemented from time to time;
- (f) **“Applicable Laws”** means any transnational, domestic or foreign, federal, provincial, territorial, state, local or municipal (or any subdivision of any of them) law (including without limitation the common law), statute, ordinance, rule, regulation, restriction, standard, by-law (zoning or otherwise), judgment, order, direction or any consent, exemption, Governmental Authorizations, or any other legal requirements of, or agreements with, any Governmental Authority, that applies in whole or in part to the transactions contemplated by this Agreement, the Vendors, the Purchaser, the Business, or any of the Purchased Assets;
- (g) **“AR Initial Order”** means the amended and restated Initial Order granted by the Court on February 14, 2024 (as amended, restated, supplemented and/or modified from time to time);
- (h) **“Assigned Contracts”** means the Real Property Leases and those additional Contracts of the Vendors, if any, set out in Schedule 1.1(h)
- (i) **“Assumed Liabilities”** means:
  - (i) any and all Liabilities arising from or related to the Purchased Assets from and after Closing;
  - (ii) any and all Liabilities arising from or related to the Assigned Contracts from and after Closing;
  - (iii) any and all Liabilities arising from or related to the Employees (other than the Excluded Employees) from and after Closing;
  - (iv) any and all Liabilities arising from or related to the Permits from and after Closing;
  - (v) the Liabilities and other obligations agreed to be assumed or performed by the Purchaser as provided in this Agreement;

For certainty, the Assumed Liabilities do not include the Excluded Liabilities.

- (j) **“Back-up Bid”** has the meaning given to it in the SISP Procedure;

- (k) “**Back-up Bidder**” has the meaning given to it in the SISP Procedure;
- (l) “**Benefit Plan**” means any pension, retirement, deferred compensation, profit-sharing, RRSP, savings, disability, medical, dental, health, life, death benefit, stock option, stock purchase, bonus, incentive, vacation entitlement and pay, termination and severance pay, overtime averaging or other employee benefit plan, trust, arrangement, contract, agreement, policy or commitment, whether or not any of the foregoing is funded or insured, and whether written or oral, formal or informal, which is intended to provide or does in fact provide benefits to any or all employees or former employees of the Vendors, and to which the Vendors are a party or by which the Vendors are bound or with respect to which the Vendors have any liability or potential liability, and for greater certainty includes plans or programs in which the Vendors are obligated to participate by statute;
- (m) “**Books and Records**” means all files, ledgers and correspondence, all price and supplier lists, all manuals, reports, texts, notes, engineering, environmental and feasibility studies, data, specifications, memoranda, invoices, receipts, accounts, accounting records and books, financial statements and financial working papers and all other records and documents of any nature or kind whatsoever, including, without limitation, those recorded, stored, maintained, operated, held or otherwise wholly or partly dependent on discs, tapes and other means of storage, including, without limitation, any electronic, magnetic, mechanical, photographic or optical process, whether computerized or not, and all software, passwords and other information and means of or for access thereto, belonging to the Vendors and relating to the Purchased Assets, but not including Customer Lists or any Books and Records relating to the Excluded Assets and Excluded Liabilities;
- (n) “**Break Fee**” has the meaning set out in Section 9.3;
- (o) “**Business**” means the collision and repair business carried on by the Vendors;
- (p) “**Business Day**” means any day other than a Saturday, Sunday or any statutory holiday in the Province of Alberta or Manitoba;
- (q) “**Cash and Cash Equivalents**” means cash, bank balances, moneys in possession of banks and other depositories, term or time deposits, marketable securities, bankers’ acceptance, commercial paper, security entitlements, securities accounts, commodity contracts, commodity accounts, government securities and any other cash equivalents of, owned or held by or for the account of the Vendors;
- (r) “**CCAA**” means the *Companies’ Creditors Arrangement Act* (Canada), as amended;
- (s) “**CCAA Proceedings**” means the proceedings commenced under the CCAA by the Vendors pursuant to the Initial Order in Action No. 2401-01778;
- (t) “**Closing**” means the completion of the sale and purchase of the Purchased Assets and assumption of the Assumed Liabilities in accordance with this Agreement;
- (u) “**Closing Date**” means March 15, 2024 or such other date as agreed by the Parties;
- (v) “**Closing Date Debt Amount**” means the total amount as of Closing owing by: (i) Bunzy under the loan agreement, as amended, with Access Credit Union (exclusive of line of credit and credit card debt), which as of January 31, 2024 (the “**Original Execution Date**”)

is approximately \$465,358.80; (ii) 10026923 to the Royal Bank of Canada under a loan agreement, as amended (exclusive of line of credit and credit card debt), which as of the Original Execution Date is approximately \$128,516.29 and is guaranteed by Nick's Repair; and (iii) 10026923 to Gail White and Gary White under a Vendor Take Back Promissory Note which as of the Original Execution Date is approximately \$100,000.

- (w) **"Closing Date Working Capital"** means the aggregate value of the Working Capital of the Vendors that is transferred to the Purchaser on the Closing Date in accordance with this Agreement;
- (x) **"Closing Documents"** means all contracts, agreements, instruments and other documents required by this Agreement to be delivered by or on behalf of a Party at or before the Closing;
- (y) **"Contracts"** means all pending and executory contracts, agreements, leases, deeds, mortgages, licences, instruments, notes, commitments, undertakings, indentures, joint ventures, understandings, arrangements and all other legally binding arrangements (whether oral or written) to which the Vendors are a party or by which any Vendor is bound or in which any Vendor has, or will at Closing have, any rights or by which any of its Property or Business are or may be affected;
- (z) **"Consulting Agreements"** means the consulting agreements between the Purchaser and Shane Daerden and Mark Jones, which will include a minimum term of one (1) year commencing on the Closing Date;
- (aa) **"Court"** means the Court of King's Bench of Alberta;
- (bb) **"Cure Costs"** means (i) with respect to any Assigned Contract for which a required consent to assignment has not been obtained and is to be assigned to the Purchaser in accordance with the terms of the Vesting Order, the amounts, if any, required to be paid to remedy all of the Vendors' monetary defaults existing as at Closing under the applicable Assigned Contract (or such other amounts as may be agreed by the Purchaser and the counterparty to the Assigned Contract); and (ii) with respect to any Assigned Contract to be assigned on consent, where consent is required, the amount, if any, required to be paid to a counterparty to secure its consent to the assignment of the applicable Assigned Contract by any Vendor to the Purchaser, which amount shall be: (A) no greater than the monetary default; and (B) be set out on the form of contractual consent agreed to by the applicable Vendor and the counterparty to such Assigned Contract; and (C) approved by the Monitor.
- (cc) **"Customer Lists"** means all lists of customers of the Vendors pertaining to the Business, including names, addresses, telephone and fax numbers, e-mail addresses, details of sales and other relevant information relating thereto;
- (dd) **"Deposit"** means the sum of eight hundred thousand dollars (\$800,000) paid by the Purchaser to the Monitor, in trust, in accordance with the terms of this Agreement;
- (ee) **"Employees"** means all employees of the Vendors;
- (ff) **"Encumbrance"** means, whether or not registered or registrable or recorded or recordable, and regardless of how created or arising;



- (i) a mortgage, assignment of rent, lien, encumbrance, adverse claim, charge, execution, title defect, security interest, hypothec or pledge, whether fixed or floating, against assets or property (whether real, personal, mixed, tangible or intangible), hire-purchase agreement, conditional sales contract, title retention agreement, equipment trust or financing lease, and a subordination to any right or claim of others in respect thereof;
  - (ii) a claim, interest or estate against or in assets or property (whether real, personal, mixed, tangible or intangible), including, without limitation, an easement, right-of-way, servitude or other similar right in property granted to or reserved or taken by any Person;
  - (iii) an option or other right to acquire, or to acquire any interest in, any assets or property (whether real, personal, mixed, tangible or intangible);
  - (iv) any other encumbrance of whatsoever nature and kind against assets or property (whether real, personal, mixed, tangible or intangible);
  - (v) any agreement to create, or right capable of becoming, any of the foregoing; and;
  - (vi) any and all court-ordered charges granted in the CCAA Proceedings;
- (gg) **“Equipment and Personal Property”** means all equipment, furniture, furnishings, accessories, motors, tools, utensils, stores, supplies and parts of every nature and kind and other tangible personal property owned by the Vendors and used in the Business, including, without limitation, the items of personal property described in Schedule 1.1(gg), but excluding any Excluded Assets;
- (hh) **“Excluded Assets”** means:
- (i) all Cash and Cash Equivalentents;
  - (ii) all assets owned by Royal Vista, CMD Glass, and Mayland other than the Accounts Receivable, Work in Progress and Prepaid Expenses owned by Royal Vista, CMD Glass, and Mayland;
  - (iii) all indebtedness of any of the Vendors’ Affiliates or any director or officer of the Vendors or any of the Vendors’ Affiliates, to the Vendors;
  - (iv) all property and assets of CMD Holdings other than the Real Property Leases;
  - (v) any deposit or investment accounts of the Vendors;
  - (vi) all those things specifically excluded from the definitions of those terms set out in the list of included items in the definition of Purchased Assets;
  - (vii) all income tax installments paid by the Vendors, and the right to receive a refund of any taxes paid by the Vendors and interest thereon;
  - (viii) the interest of the Vendors in any litigation and in the proceeds of any judgment or order thereunder;

- (ix) the interest of the Vendors in any insurance policies, claims or proceeds, including any cash surrender value thereof (except solely in accordance with Section 6.4 where the Purchaser elects to take an assignment of insurance proceeds and still Closes); and
  - (x) all securities in the capital of the Vendors;
  - (xi) any existing or potential hazardous materials existing or discharged by the Vendors on or under the Lands, notwithstanding that they may be (or become) affixed to the Lands;
  - (xii) all further assets described in Schedule 1.1(hh), and the Purchaser may add additional items to such Schedule at any time prior to the Closing upon written notice to the Vendors;
- (ii) **“Excluded Employees”** means Shane Daerden, the employees of Royal Vista, CMD Glass, Mayland, Nick’s Repair and Bunzy and any other Employees that are not active Employees on Closing, including those Employees that are on leave;
- (jj) **“Excluded Liabilities”** means all Liabilities other than the Assumed Liabilities, including, without limitation, all Liabilities related to the Contracts listed below:
- (i) the Licence Agreements and all intellectual property belonging to CARSTAR Canada Partnership, LP, including all manuals, and related franchise-specific documentation, contracts including the franchise licence and entitlements and all right, title and interest in and to the name “CARSTAR” and variations thereof;
  - (ii) all agreements between the Vendors and Axalta Coating Systems, LLC and/or its Affiliates; and
  - (iii) the Benefit Plans.
- (kk) **“Filing Date”** means February 7, 2024;
- (ll) **“Goodwill”** means the goodwill attributable to the Business and the exclusive right of the Purchaser to represent itself as carrying on the Business in continuation of and as successor to the Vendors and the right to use any words indicating that the Business is so carried on, including the right to use the name “Collision Kings” or any variation thereof as part of the name of, or in connection with, the Business to be carried on by the Purchaser; provided that the Vendors may continue using such name and Goodwill for the duration of the CCAA Proceedings;
- (mm) **“Governmental Authority”** means any applicable transnational, federal, provincial, municipal, state, local, national or other government, regulatory authority, governmental department, agency, commission, board, tribunal, bureau, ministry, court, system operator, judicial body, arbitral body or other law, rule or regulation-making entity, or any entity, officer, inspector, investigator or examiner exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case:

- (i) having jurisdiction over a Vendor, the Purchaser, the Business, the Purchased Assets or the Assumed Liabilities on behalf of any country, province, state, locality, or other geographical or political subdivision thereof; or
  - (ii) exercising or entitled to exercise any administrative, judicial, legislative, regulatory or taxing authority or power;
- (nn) **“Governmental Authorizations”** means authorizations, approvals, plans, franchises, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued to or required by the Vendors relating to the Business or any of the Purchased Assets by or from any Governmental Authority;
- (oo) **“GST”** means goods and services tax payable under the GST Legislation;
- (pp) **“GST Legislation”** means Part IX of the *Excise Tax Act* (Canada);
- (qq) **“Initial Order”** means the Initial Order granted by the Court on February 7, 2024;
- (rr) **“Insolvency Proceedings”** means any action, application, petition, suit or other proceeding under any bankruptcy, arrangement, reorganization, dissolution, liquidation, insolvency, winding-up or similar law of any jurisdiction now or hereafter in effect, for the relief from or otherwise affecting creditors of any of the Vendors, including without limitation under the *Bankruptcy and Insolvency Act* (Canada) (including the filing of a notice of intention to make a proposal), CCAA (including the CCAA Proceedings), the *Winding-Up and Restructuring Act* (Canada), or the *Canada Business Corporations* by, against or in respect of any of the Vendors;
- (ss) **“Intellectual Property”** means all rights, title, interest and benefit of the Vendors in and to intellectual property of every nature, whether registered or unregistered, including, without limitation, all copyrights, patents, patent rights, trade-marks, certification marks and industrial designs, applications for any of the foregoing, domain names, IP addresses, websites, e-mail addresses, trade names, brand names, trade secrets, proprietary manufacturing information and know-how, instruction manuals, inventions, inventors’ notes, research data, unpatented blueprints, drawings and designs, formulae, calculations, processes, prototypes, technology and marketing rights, together with all rights under licence agreements, sublicense agreements, strategic alliances, development agreements, technology transfer agreements and other agreements or instruments relating to any of the foregoing, that are owned by the Vendors or used in connection with the Business or Purchased Assets, including, without limitation, the trade-marks, copyrights, patents, licences and agreements described in Schedule 1.1(ss);
- (tt) **“Inventory”** means all sundries, shop supplies and paint;
- (uu) **“Landlords”** means, collectively, the landlords of the Real Property Leases, and **“Landlord”** means any one of them;
- (vv) **“Lands”** means the lands and premises on which the operations of the Business is conducted and more particularly described in Schedule 1.1(vv);

- (ww) “**Leased Premises**” means the premises at which the Business is conducted and which are leased to the Vendors pursuant to the Real Property Leases, more particularly set out in Schedule 1.1(vv);
- (xx) “**Liability**” means, with respect to any Person, any liability or obligation 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, legal, beneficial or equitable, present or future, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person, and includes, without limiting the generality of the foregoing, any debt, dues, guarantee, surety, indemnity obligation or other obligation.
- (yy) “**Licence Agreements**” means the licence agreements between each of the Vendors and CARSTAR Canada Partnership, LP;
- (zz) “**Manitoba Real Property**” means the lands and premises located at:
  - (i) 52 Austin Street, Winnipeg, Manitoba; and
  - (ii) 149 MB-16 W, Neepawa, Manitoba;
- (aaa) “**Material Loss**” means any damage to or destruction, after the date of this Agreement, of any of the Purchased Assets (other than Work in Progress or Inventory), individually or in the aggregate by a casualty of any kind, in respect of which the lesser of:
  - (i) the fair appraised liquidation value, prior to damage or destruction, of the damaged or destroyed Purchased Asset(s); and
  - (ii) the cost of repair to bring the damages or destroyed Purchased Asset(s) to the condition in which it was prior to such damage or destruction, as evidenced by an estimate provided by a qualified independent third party in keeping with normal industry practice,would exceed 15% of the Purchase Price.
- (bbb) “**Monitor**” means FTI Consulting Canada Inc., in its capacity as Court-appointed monitor of the Vendors pursuant to the Initial Order and not in its personal capacity;
- (ccc) “**Monitor’s Certificate**” means the certificate filed with the Court by the Monitor certifying that the Monitor has received written confirmation in form and substance satisfactory to the Monitor from the Vendors and the Purchaser that all conditions to Closing have been satisfied or waived by the applicable Parties;
- (ddd) “**Outside Date**” means March 29, 2024;
- (eee) “**Parties**” means the Vendors and the Purchaser collectively, and “**Party**” means either the Vendors, any Vendor or the Purchaser, as the context requires;

- (fff) **“Permits”** means all certificates, approvals, consents, authorizations, privileges, waivers, exemptions, orders, rulings, registrations, permits and licences issued or entered into relating to the Business that are assignable to the Purchaser;
- (ggg) **“Permitted Encumbrances”** means those encumbrances described in Schedule 1.1(ggg);
- (hhh) **“Person”** means an individual, legal personal representative, corporation, body corporate, firm, partnership, trust, trustee, syndicate, joint venture, unincorporated organization or Governmental Authority;
- (iii) **“Prepaid Expenses”** means all prepaid expenses of the Vendors attributable to the Purchased Assets including, without limitation, amounts paid for insurance, utilities, leases and rentals which have a continuing benefit to the Purchaser after the Closing;
- (jjj) **“Purchase Price”** means the purchase price for the Purchased Assets, as set out in Article 3;
- (kkk) **“Purchased Assets”** means all properties and assets of the Vendors of every kind and description (whether real, personal, mixed, tangible or intangible) relating to the Business wherever located (but not including the Excluded Assets), including, without limitation:
  - (i) the Vendors’ right, title and interest in the Assigned Contracts;
  - (ii) the Equipment and Personal Property;
  - (iii) the Manitoba Real Property;
  - (iv) the Inventory;
  - (v) the Prepaid Expenses;
  - (vi) the Intellectual Property;
  - (vii) telephone and facsimile numbers;
  - (viii) the Goodwill;
  - (ix) the Customer Lists;
  - (x) the Vendors’ interest in the Permits, if capable of being transferred or assigned;
  - (xi) the Accounts Receivable;
  - (xii) the Work in Progress; and
  - (xiii) the Books and Records;

For certainty, the Purchased Assets do not include the Excluded Assets.

- (lll) **“Purchaser’s Solicitors”** means Lawson Lundell LLP;

- (mmm) **“Real Property Leases”** means the leases and other agreements to occupy the Premises entered into by, or assigned in favour of any of the Vendors and listed in Schedule 1.1(vv), including all purchase options, prepaid rents, security deposits, rights to appurtenances and improvements, licences and permits relating thereto and all leasehold improvements thereon;
- (nnn) **“SISP Procedure”** means the sale and investment solicitation procedure approved by the Court in the CCAA Proceedings
- (ooo) **“Successful Bid”** has the meaning given to it in the SISP Procedure;
- (ppp) **“Successful Bidder”** has the meaning given to it in the SISP Procedure;
- (qqq) **“Target Working Capital”** means \$0.00;
- (rrr) **“Tax”** and **“Taxes”** includes:
- (i) taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever (including withholding on amounts paid to or by any Person) imposed by any Governmental Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, disability, severance, unemployment, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada, Alberta, Manitoba, and Saskatchewan, and other government pension plan premiums or contributions; and
  - (ii) any liability in respect of any items described in clause (i) payable by reason of contract, assumption, transferee liability, operation of law or otherwise;
- (sss) **“Vendors’ Solicitors”** means MLT Aikins LLP;
- (ttt) **“Vesting Order”** means the sale approval and vesting order granted by the Court on February 14, 2024.
- (uuu) **“Work in Progress”** means all parts, materials and labour associated with the work in progress of the Vendors;
- (vvv) **“Working Capital”** means the amount equal to the value as of the Closing Date of the following: (i) the Work in Progress at cost (net of any customer deposits);; (ii) the dollar value of the Prepaid Expenses; and (iii) book value of the Accounts Receivable (such value to be determined based on the principals set out in the Accounting Standards for Private Enterprises, consistently applied), provided that the value of such Accounts Receivable shall be:

- (i) first, reduced by an amount equal to any rebates payable in connection with such Accounts Receivable (but only to the extent that such rebates have not already been factored into the calculation of such Accounts Receivable), on a dollar-for-dollar basis; and
- (ii) second, subject to a 25% discount; and

(www) “**Working Capital Escrow Amount**” has the meaning set out in Subsection 3.3(a)(ii).

## **1.2 Schedules**

The following are the Schedules which are attached to and form part of this Agreement:

Schedule 1.1(h)	— Assigned Contracts
Schedule 1.1(hh)	— Excluded Assets
Schedule 1.1(ggg)	— Permitted Encumbrances
Schedule 1.1(nnn)	— SISP Procedure
Schedule 1.1(ttt)	— Vesting Order
Schedule 1.1(vv)	— Lands and Real Property Leases
Schedule 1.1(gg)	— Equipment and Personal Property
Schedule 1.1(ss)	— Intellectual Property
Schedule 3.2	— Allocation Schedule

## **1.3 Gender, Number and Other Terms**

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa, words importing gender include all genders, “or” is not exclusive, and “including” is not limiting, whether or not non-limiting language (such as “without limitation”) is used with reference thereto.

## **1.4 Headings and Table of Contents**

The inclusion of headings and a table of contents in this Agreement is for convenience only and shall not affect the construction or interpretation of this Agreement.

## **1.5 Statutes**

Unless otherwise stated, any reference to a statute includes and is a reference to such statute and to the regulations made pursuant to it, with all amendments thereto and in force from time to time, and to any statute or regulations that may be passed which supplement or supersede such statute or such regulations.

## **1.6 No Contra Preferentum**

The language in all parts of this Agreement shall in all cases be construed as a whole and neither strictly for nor strictly against any of the parties to this Agreement.

## **1.7 Currency**

Unless otherwise specifically noted, all references to money in this Agreement are or shall be to money in lawful money of Canada. If it is necessary to convert money from another currency to lawful money of Canada, such money shall be converted to lawful money of Canada using the exchange rates in effect at the Closing Date.

## **1.8 Governing Law and Attornment**

This Agreement shall be governed by and construed in accordance with the laws of the province of Alberta and the laws of Canada applicable therein and all disputes and claims, whether for damages, specific performance, injunction, declaration or otherwise, both at law and equity, arising out of, or in any way connected with, this Agreement shall be referred to the courts of the Province of Alberta in the CCAA Proceeding and each of the parties hereby attorns to the exclusive jurisdiction of the courts of the Province of Alberta in the CCAA Proceeding.

## **1.9 Cross References**

Unless otherwise stated, a reference in this Agreement to a designated article, section, subsection, paragraph or other subdivision or to a schedule is to the designated article, section, subsection, paragraph or other subdivision of, or schedule to, this Agreement.

## **1.10 References to Whole Agreement**

Unless otherwise stated, the words “herein”, “hereof”, “hereby” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular article, section, subsection, paragraph or other subdivision or schedule.

## **1.11 Interpretation**

The word “or” is not exclusive and the word “including” is not limiting (whether or not non-limiting language such as “without limitation” or “but not limited to” or other words of similar import are used with reference thereto).

## **1.12 Merger**

All representations, warranties and covenants of Vendor contained in this Agreement shall merge and terminate on Closing unless otherwise stated or necessary to give effect to the provisions hereof. Notwithstanding the foregoing, the representations, warranties and covenants of the Purchaser contained herein shall not merge on Closing and shall survive and remain in full force and effect.

## **1.13 Interpretation if Closing Does Not Occur**

If Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Purchased Assets and assumed the Assumed Liabilities shall be construed as having been contingent upon Closing having occurred.

## **2. PURCHASE OF ASSETS AND ASSUMPTION OF LIABILITIES**

### **2.1 Purchase and Sale of the Purchased Assets**

On Closing, the Vendors agree to sell, assign and transfer, to the Purchaser, and the Purchaser agrees to purchase from the Vendors, the Purchased Assets, effective as of and from the Closing, free and clear of all Encumbrances, except for the Permitted Encumbrances, for the price and in accordance with and subject to the terms and conditions set forth in this Agreement.



## 2.2 Assumption of Assumed Liabilities

On Closing, the Vendors agree to assign and transfer, to the Purchaser, and the Purchaser agrees to assume and accept from the Vendors, the Assumed Liabilities, effective as of and from the Closing. Notwithstanding any other provision of this Agreement, it is expressly understood and agreed that, other than the Assumed Liabilities, the Purchaser shall not assume and shall not be deemed to have assumed any other Liabilities of the Vendors at the Closing, including in particular, and without limiting the generality of the foregoing, any employee liabilities pursuant to Applicable Laws prior to Closing, all of which are specifically excluded from the transactions contemplated by this Agreement and shall remain the sole obligation of the Vendors.

## 2.3 Assignment of Contracts

- (a) Cure Costs.
  - (i) To the extent that any Cure Costs are payable with respect to any Assigned Contract that is a Real Property Lease, the Vendors shall pay such amount to the applicable Landlord prior to Closing.
  - (ii) To the extent that any Cure Costs are payable with respect to any Assigned Contract that is not a Real Property Lease, the Purchaser shall: (i) where such Assigned Contract is assigned pursuant to the Vesting Order, pay all such Cure Costs in accordance with the Vesting Order; and (ii) where such Assigned Contract is not assigned pursuant to an Vesting Order, pay all such Cure Costs in the manner set out in the consent of the applicable counterparty or as otherwise may be agreed to by the Purchaser and such counterparty. The Cure Costs as paid by the Purchaser shall be in addition to the Purchase Price received by the Vendors for the Purchased Assets.
- (b) Assignment. At Closing, on and subject to the terms and conditions of this Agreement and the Vesting Order, all of the Vendors rights, benefits, interests and obligations in, to and under the Assigned Contracts shall be assigned to the Purchaser.
- (c) Where Consent Required. Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign any Assigned Contract to the extent such Assigned Contract is not assignable under Applicable Law, or the terms of the applicable Assigned Contract provide that it is not assignable without the consent of another Person, unless such consent has been obtained or the assignment is subject to a Vesting Order.
- (d) No Adjustment. For greater certainty, if the consent of any Person is required to assign an Assigned Contract, but such consent is not obtained prior to Closing and such Contract is not assigned pursuant to an Vesting Order, such Contract shall not form part of the Assigned Contracts and: (i) neither Party shall be considered to be in breach of this Agreement; (ii) the failure to assign or otherwise transfer such Assigned Contract shall not be a condition to Closing; (iii) the Purchase Price shall not be subject to any adjustment; (iv) Closing shall not be delayed.

### 3. PURCHASE OF ASSETS AND ASSUMPTION OF LIABILITIES

#### 3.1 Purchase Price

The Purchase Price payable by the Purchaser for the Purchased Assets (the “**Purchase Price**”) shall be the aggregate of the following:

- (a) \$9,500,000; plus
- (b) the value of the Closing Date Working Capital, as calculated in accordance with Section 3.7; plus
- (c) the Closing Date Debt Amount.

For certainty, the Purchase Price shall be exclusive of all applicable Taxes which shall be the sole responsibility of the Purchaser. The Purchaser shall be responsible for and shall pay when due any Taxes, including sales taxes, excise taxes (goods and services taxes), transfer taxes and similar taxes (but not income taxes of the Vendors) and any registration fees payable in respect of the sale and transfer of the Purchased Assets to the Purchaser.

#### 3.2 Allocation of Purchase Price

The Vendors and Purchaser agree that the Purchase Price shall be allocated among the Purchased Assets for all purposes (including tax and financial accounting) as shown on the allocation schedule to be attached hereto as Schedule 3.2 (the “**Allocation Schedule**”), which shall be delivered on or before Closing. The Vendors and the Purchaser agree that the values so attributed to the Purchased Assets are the respective fair market values thereof, and the Vendors and the Purchaser shall file all tax returns (including amended returns and claims for refund) and elections required or desirable under the *Income Tax Act* (Canada) in a manner consistent with the Allocation Schedule. Any adjustments to the Purchase Price shall be allocated in a manner consistent with the Allocation Schedule.

#### 3.3 Payment of Purchase Price

- (a) The Purchase Price for the Purchased Assets shall be paid and satisfied by the Purchaser as follows:
  - (i) The Deposit shall be released and applied against the Purchase Price;
  - (ii) The Closing Date Working Capital, which shall be paid as follows: (i) **One Million Dollars (\$1,000,000)** (the “**Working Capital Escrow Amount**”) shall be paid to the Purchaser’s Solicitors, in trust; and (ii) any reconciliation or adjustment to be made on the Adjustment Payment Date, in each case to be dealt with in accordance with Section 3.7;
  - (iii) the balance of the Purchase Price shall be paid on the Closing Date to the Vendors’ Solicitor, “In Trust”, by way of bank draft, solicitor’s trust cheque or wire transfer of immediately available funds; and
  - (iv) an amount equal to the amount of the Assumed Liabilities which the Purchaser shall assume on Closing, and which shall be satisfied by the Purchaser becoming liable for and performing the Assumed Liabilities.

### 3.4 Deposit

- (a) The Purchaser has paid the Deposit to the Monitor in trust, for the benefit of the Vendors, to be dealt with in accordance with Section 3.4.
- (b) If the transactions contemplated by this Agreement are not completed by the Outside Date by reason of the default of the Purchaser, in the performance or satisfaction of its obligations under this Agreement or any other Closing Document, or by reason of the Vendors not waiving their conditions set out in Article 7.3 by the Closing Date (or such conditions being met by the Purchaser), the Deposit shall be paid to or to the order of the Vendors as liquidated damages and not as a penalty, and upon payment of the Deposit, the Vendors will have no further claim against the Purchaser for any additional damages or loss whatsoever related to the termination of this Agreement.
- (c) If the transactions contemplated by this Agreement are not completed by the Outside Date by reason of the default of the Vendors, or any of them, in the performance or satisfaction of their obligations under this Agreement, or by reason of the Purchaser not waiving its conditions set out in Article 7.1 or 7.2 by the Closing Date (or such conditions being met), or as a result of the Purchaser not being selected as a Successful Bidder, or for any other reason whatsoever (other than the reasons set out in Subsection (b)), or if this Agreement is terminated by the Purchaser because the Purchaser was not selected as the Successful Bidder, then the Deposit shall be forthwith returned to the Purchaser and the Purchaser shall have no claim against the Vendors or the Monitor for any additional damages or loss whatsoever related to the termination of this Agreement.

### 3.5 Warranty Holdback

Intentionally deleted.

### 3.6 Lease Holdback

Intentionally deleted.

### 3.7 Working Capital Calculation

- (a) Calculation of Closing Date Working Capital
  - (i) **Estimated Working Capital.** No later than two (2) Business Days before the Closing Date, the Vendors shall prepare and deliver to the Purchaser a statement setting forth their estimate of the Closing Date Working Capital (the "**Estimated Working Capital Statement**") with source documents as supporting schedules.
  - (ii) **Draft Calculation of Closing Date Working Capital.** Promptly after the Closing Date, the Purchaser shall prepare a draft calculation of the Closing Date Working Capital for the Vendors, which shall be delivered to the Vendors and Monitor no later than the 90<sup>th</sup> day following the Closing Date. Additionally, on the Closing Date the Vendors will provide to the Purchaser access to their estimating system and an Excel copy of Detailed Aged Accounts Receivable Listing (including claim numbers) dated as of the Closing Date.

- (iii) **Access to Information.** The Vendors and Monitor and its representatives and accountants shall be entitled to review all procedures used in the preparation of draft calculation of the Closing Date Working Capital and shall be provided promptly with copies of all working papers created in connection with such preparation.
  - (iv) **Deemed Acceptance.** If the Vendors do not give a notice of objection in accordance with Subsection 3.7(b), the Vendors shall be deemed to have accepted the draft calculation of the Closing Date Working Capital, which shall be final and binding on the Parties for the purposes of the adjustments contemplated in this section, and the draft calculation of the Closing Date Working Capital shall constitute the Closing Date Working Capital for purposes of these adjustments immediately following the expiry date for the giving of such notice of objection.
- (b) **Dispute Settlement.** If the Vendors objects to any matter in the draft calculation of the Closing Date Working Capital prepared pursuant to Subsection 3.7(a) the Vendors shall give notice to the Purchaser and Monitor no later than sixty (60) days after delivery of the draft calculation of the Closing Date Working Capital. Any notice given by the Vendors shall set forth in detail the particulars of such objection. The Parties shall then use reasonable efforts to resolve such objection for a period of thirty (30) days following the giving of such notice. If the matter is not resolved by the end of such 30-day period, then the dispute with respect to such objection shall be submitted to the Monitor for determination, which shall be final and binding.
- (c) **Working Capital Adjustment.**
  - (i) If the Closing Date Working Capital is determined to be less than the Working Capital Escrow Amount, the Purchaser shall instruct and require the Purchaser's Solicitors to promptly pay: (i) to the Monitor, on behalf of the Vendors, the Closing Date Working Capital from the Working Capital Escrow Amount; and (ii) to the Purchaser, the balance of the Working Capital Escrow Amount after such payment in (i), in each case on or before the Adjustment Payment Date.
  - (ii) If the Closing Date Working Capital is determined to be greater than the Working Capital Escrow Amount,: (i) the Purchaser shall instruct and require the Purchaser's Solicitors to promptly pay to the Monitor, on behalf of the Vendors, the full Working Capital Escrow Amount; and (ii) the Purchaser shall pay the balance of the Closing Date Working Capital Amount to the Monitor, on behalf of the Vendors, in each case on or before the Adjustment Payment Date.
- (d) Any such adjustments shall constitute an adjustment to the Purchase Price. For certainty, no adjustment shall result in the Working Capital being a negative number.

#### **4. REPRESENTATIONS AND WARRANTIES OF THE VENDORS**

The Vendors represent and warrant to the Purchaser as follows and acknowledge that the Purchaser is relying on the following representations and warranties in connection with the purchase of the Purchased Assets:

#### 4.1 Authority

Subject to the terms hereof and obtaining Court approval of this Agreement, and this transaction being determined a Successful Bid, each Vendor has the authority to sell the Purchased Assets and assign the Assumed Liabilities to the Purchaser on the terms and conditions of this Agreement.

#### 4.2 Residency

None of the Vendors is a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

#### 4.3 GST

- (a) The Vendors are a registrant for purposes of Part IX of the *Excise Tax Act* (Canada), and the Vendors' registration numbers are as follows:

2199931 Alberta Ltd.	785508474RT0001
Collision Kings 3 Ltd.	784748535RT0001
Arrow Auto Body Ltd.	100272335RT0001
Sunridge Collision Ltd.	852238583RT0001
East Lake Collision Ltd.	832032262RT0001
Stathko Investments Ltd.	855125647RT0001
Nick's Repair Service Ltd.	103881603RT0001
10026923 Manitoba Ltd.	729778084RT0001
Bunzy's Auto Body Ltd	100691401RT0001
CMD Holdings Inc.	815524822RT0001

### 5. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

#### 5.1 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to the Vendors as follows and acknowledges that the Vendors are relying upon the following representations and warranties in connection with the sale of the Business and the Purchased Assets:

- (a) Status: The Purchaser is a duly amalgamated and validly existing company under the laws of the Province of British Columbia, is in good standing under the *Business Corporations Act* (British Columbia) and has full power and capacity to enter into, carry out the transactions contemplated by, and duly observe and perform all its obligations contained in this Agreement.
- (b) Due Authorization: The execution and delivery of this Agreement and all documents, instruments and agreements required to be executed and delivered by the Purchaser pursuant to this Agreement, and the completion and performance of the transactions and

obligations contemplated by or contained in this Agreement, have been duly authorized by all necessary corporate action on the part of the Purchaser, and this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws of general application affecting the enforceability of remedies and rights of creditors and except that equitable remedies such as specific performance and injunction are in the discretion of a court.

- (c) Funding Available. The Purchaser has available sufficient funding to enable the Purchaser to consummate the purchase of the Purchased Asset and assumption of the Assumed Liabilities on the terms set forth herein and otherwise to perform all of the Purchaser's obligations under this Agreement. For certainty, such funding shall not be conditional on either: (i) title to the Purchased Assets being transferred to the Purchaser or other third party prior to the Purchase Price being advanced to the Vendor and the Monitor's Certificate being issued; and (ii) security being registered against the Purchased Assets prior to Closing.
- (d) Proceedings. There are no proceedings pending, or to the knowledge of the Purchaser, threatened against the Purchaser, before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (e) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the constating or organizational documents of the Purchaser.
- (f) Investment Canada: The Purchaser is not a non-Canadian within the meaning of the *Investment Canada Act* (Canada).
- (g) Competition Act: The Purchased Assets and gross revenues of the Purchaser and its Affiliates (as that term is used in the *Competition Act*, RSC 1985 c. 34) are such that, after taking into account the Purchased Assets and gross revenues of the Vendors, the transactions contemplated by this Agreement are exempted from the provisions of Part VIII of the *Competition Act*, RSC 1985 c. 34 (Matter reviewable by tribunal).
- (h) GST Registration: The Purchaser is a registrant for purposes of Part IX of the *Excise Tax Act* (Canada), and the Purchaser's registration number is 745160929RT0001.
- (i) No Sanctions. None of the Purchaser, any of its subsidiaries or, to the knowledge of the Purchaser, any director, officer, agent, employee, Affiliate or representative of the Purchaser or any of its subsidiaries is, or is controlled or 50% or more owned by or is acting on behalf of, an individual or entity (a "**Sanctioned Person**") currently the subject of applicable economic sanctions including those administered or enforced by the government of Canada, the United States of America, or the United Kingdom (collectively, "**Sanctions**"). None of the Purchaser or any of its subsidiaries is located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions. To the Purchaser's knowledge, neither it nor any of its subsidiaries has engaged in any

dealings or transactions with or for the benefit of a Sanctioned Person. The Purchaser has procedures and policies in place designed to ensure compliance with Sanctions.

## 5.2 "As is, Where is"

- (a) Except as contemplated in Article 4, the Purchaser acknowledges and agrees that it is purchasing the Purchased Assets and assuming the Assumed Liabilities on an "as is, where is" basis and on the basis that the Purchaser has conducted to its satisfaction an independent inspection, investigation and verification of the Purchased Assets, Assumed Liabilities and all other relevant matters and has determined to proceed with the transaction contemplated herein and will accept the same at Closing in their then current state, condition, location, and amounts, subject to all Permitted Encumbrances.
- (b) Except as otherwise expressly provided in Article 4, no representation, warranty or condition, whether based in statute, common law or equity, which may be applicable to the subject matter pursuant to the provisions of this Agreement, including but not limited to the United Nations Convention on Contracts for the International Sale of Goods), or express or implied, oral or written, legal, equitable, conventional, collateral, arising by custom or usage of trade, or otherwise is or will be given by the Vendors or the Monitor including as to title, outstanding liens or encumbrances, description, fitness for purpose, merchantability, merchantable quality, quantity, condition (including physical and environmental condition), suitability, durability, assignability, or marketability thereof or any other matter or thing whatsoever, and all of the same are expressly excluded and disclaimed and any rights pursuant to such statutes have been waived by the Purchaser. The Purchaser acknowledges and agrees that it has relied entirely and solely on its own investigations as to the matters set out above and in determining to purchase the Purchased Assets and assume the Assumed Liabilities pursuant to this Agreement.
- (c) The description of the Purchased Assets and Assumed Liabilities contained herein is for the purpose of identification only and the inclusion of any item in such description does not confirm the existence of any such items or that any such item is owned by the Vendors. Except as otherwise explicitly set forth in Article 4, no representation, warranty or condition has been given by the Vendor or the Monitor concerning the completeness or accuracy of such descriptions and the Purchaser acknowledges and agrees that any other representation, warranty, statements of any kind or nature, express or implied, (including any relating to the future or historical financial condition, results of operations, prospects, assets or liabilities of the Vendors or the quality, quantity or condition of the Purchased Assets) are specifically disclaimed by the Vendors.
- (d) Any documents, materials and information provided by the Vendors or Monitor to the Purchaser with respect to the Purchased Assets or Assumed Liabilities (including any confidential information memorandums, management presentations, or material made available in the electronic data room) have been provided to the Purchaser solely to assist the Purchaser in undertaking its own due diligence, and the Vendors and/or Monitor have not made and are not making any representations or warranties, implied or otherwise, to or for the benefit of the Purchaser as to the accuracy and completeness of any such documents, materials or information or the achievability of any valuations, estimates or projections. The Purchaser acknowledges that it has not and will not rely upon any such documents, materials or information in any manner, whether as a substitute for or supplementary to its own due diligence, searches, inspections and evaluations. The Vendors and/or Monitor and their respective Affiliates, directors, officers, employees, agents and advisors shall not

be liable for any inaccuracy, incompleteness or subsequent changes to any such documents, materials or information. The Purchaser further acknowledges that the use of the documents may not be possible without the Purchaser obtaining reliance or other assurances from the author of such documents directly and further that the documents may be subject to copyright or other property rights which may preclude their use by the Purchaser in whole or in part.

## **6. PRE-CLOSING MATTERS**

### **6.1 Court Orders**

- (i) The Vendors and Purchaser acknowledge that Closing is subject to this Agreement being determined by the Monitor to be a Successful Bid.
- (a) The Purchaser shall cooperate with the Vendors acting reasonably, as may be necessary, including by providing such information and taking such actions as may be reasonably requested, in obtaining or amending the Initial Order, the AR Initial Order and the Vesting Order, if necessary.

### **6.2 Employees**

- (a) Following selection as a Successful Bidder, the Vendors will provide formal notice to all Employees of the effectiveness of the transaction and such notice shall be at a time and in a form approved by the Parties, each acting reasonably.
- (b) Prior to Closing, the Purchaser shall (or shall cause one of its Affiliates to) offer employment in writing, conditional on Closing, and effective from the Closing Date, to all Employees other than the Excluded Employees on or before the Closing Date, such offers of employment to be on terms and conditions of employment which shall be on substantially the same or better terms as such Employees currently enjoy, including salary, vacation and benefits, and shall recognize all past service of such Employees.
- (c) The Parties will work together and coordinate any announcements to the employees of the Vendors advising them of the potential transaction with the Purchaser; provided that this shall not limit the Vendors from seeking or amending the Vesting Order, approval or implementation of the SISP Procedure or complying with the requirements of the CCAA Proceeding or Applicable Law.

### **6.3 Operations until Closing**

Except as otherwise provided in this Agreement or unless otherwise agreed or consented to in writing by the Purchaser, the Vendors shall from the date of this Agreement up to the Closing or selection of another bid for the Purchased Assets as a Successful Bid:

- (a) Conduct of Business: Use commercially reasonable efforts to carry on and conduct the Business (other than in respect of Nick's Repair, Bunzy and 10026923 which may be wound down) and shall maintain the Books and Records in the ordinary course consistent with past practice, and in particular to:
  - (i) preserve the Purchased Assets intact and maintain the Purchased Assets in accordance with standard industry practice;



- (ii) not sell, lease, licence, transfer, or otherwise dispose of, or agree to sell, lease, licence, transfer, or otherwise dispose of, any of the Purchased Assets except in the ordinary course of the Business, consistent with past practice;
  - (iii) keep available the services of the present Employees of the Vendors, other than the Excluded Employees, for the Purchaser;
  - (iv) not increase the remuneration payable to any Employees (other than Excluded Employees) without the prior written consent of the Purchaser, such consent not to be unreasonably withheld;
  - (v) maintain the Purchased Assets and do all necessary repairs and maintenance to such of the Purchased Assets as are used by the Vendors in the ordinary course of the Business, and take reasonable care to protect and safeguard the Purchased Assets;
  - (vi) make all necessary tax, governmental, and other filings following the Filing Date in a timely fashion;
  - (vii) maintain and continue in force all existing policies of insurance presently maintained by the Vendors in respect of the Purchased Assets;
  - (viii) not enter into any Contract, other than the key employee retention and/or incentive plan(s), with any non-arm's length Person of the Vendors without the prior written consent of the Purchaser, in its sole discretion;
  - (ix) not amend, vary, cancel, or terminate any of the Assigned Contracts or Permits;
  - (x) not, unless required by law or required to repair or replace any loss or damage to the Purchased Assets arising subsequent to the execution of this Agreement, commence any new capital projects in respect of the Purchased Assets where the cost of which would be in excess of \$10,000.00 in the aggregate: and
  - (xi) not take any action or omit to take any action which would, or would reasonably be expected to, result in a breach of or render untrue and representation, warranty, covenant or other obligation of the Vendors contained herein.
- (b) Access: If selected as a Successful Bid, provide to the Purchaser, its employees, representatives, and agents, full access during normal business hours to the Vendors' personnel and its facilities and properties and to the Books and Records and to all, or true copies of all, title documents, indentures, contracts, agreements, Encumbrances, instruments, leases, and other documents relating to the Purchased Assets or the Business, and furnish them with all such information relating to the Business and the Purchased Assets in the possession of the Vendors as the Purchaser from time to time reasonably requests;
- (c) Obtain Consents: The Parties will use commercially reasonable efforts to obtain all necessary releases, waivers, consents, and approvals, including, without limitation, all necessary consents and approvals from the lessors of each of the Leased Premises, and all relevant Governmental Authorities, as may be required to validly and effectively transfer

the Purchased Assets and Assumed Liabilities to the Purchaser as contemplated by this Agreement.

#### **6.4 Risk of Loss and Damage Prior to Closing**

(a) In accordance with this Section 6.4, the Vendors shall bear all risk of loss or damage to, or destruction of, the Purchased Assets until the Closing and the Purchaser shall bear all such risk of loss, damage and destruction from and after the Closing.

(b) If, between the date hereof and Closing, any of the Purchased Assets with an aggregate value of over \$100,000 (other than Work in Progress or Inventory) are destroyed, lost or materially damaged:

(i) the Vendors shall notify the Purchaser promptly in writing of such fact, and if such acts or events constitute a Material Loss, then the Purchaser may, at its option terminate this Agreement and the Deposit will be released to the Purchaser;

(ii) if such loss, damage or destruction have not been completely replaced, repaired or otherwise rectified by the Closing, and if the Closing takes place, the Purchase Price will be reduced by an amount equal to the aggregate of:

(A) the insurance proceeds paid on or before the Closing to the Vendors in respect of such loss, damage or destruction; and

(B) the aggregate of all deductible amounts under the insurance policies against which a payment has been made under subsection (a) above in respect of such loss, damage or destruction;

less

(C) the amount actually expended by or on behalf of the Vendors in the repair, replacement or other rectification thereof

provided that the value of those Purchased Assets that are damaged or destroyed will be determined by an adjuster appointed by the Monitor for that purpose. For certainty, such amounts will be calculated without duplication or double credit or loss.

(iii) The Vendors shall consult with the Purchaser prior to making a claim against any applicable insurance policy and shall act reasonably and bona fide in respect thereof and in a manner consistent with the Purchaser's interest in the Business and the Assets. If applicable, the Vendors shall at Closing make, or cause to be made, the necessary claims under all applicable insurance policies and shall assign to the Purchaser all remaining insurance proceeds, including business interruption insurance proceeds, which are or may become receivable by the Vendors in respect of any such loss, damage or destruction.

## 7. CONDITIONS OF CLOSING

### 7.1 Mutual Conditions

The obligation of the Vendors to complete the transaction contemplated by this Agreement is subject to the fulfilment of each of the following conditions:

- (a) Initial Order. The Court shall have pronounced the Initial Order, which Initial Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced by a party with standing to appeal same which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.
- (b) Vesting Order. The Court shall have pronounced the Vesting Order, which Vesting Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced by a party with standing to appeal same which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.
- (c) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority (other than the Court or other court with standing) or otherwise in effect that restrains or prohibits the completion of the transaction.

In the event that any of the foregoing conditions are not performed or fulfilled at or before the Outside Date, either Party may terminate this Agreement, in which event, subject to Section 9.2, the Parties will be released from all obligations under this Agreement unless otherwise stated. The foregoing conditions are for the benefit of each Party and either Party will be entitled to waive compliance with any such conditions if it sees fit to do so.

### 7.2 Conditions of the Purchaser

The obligation of the Purchaser to complete the purchase of the transaction contemplated by this Agreement is subject to the fulfilment of the following conditions:

- (a) Representations and Warranties: The representations and warranties of the Vendors contained in this Agreement being true and correct in all material respects on and as of the Closing with the same effect as though such representations and warranties had been made as of the Closing (unless otherwise agreed or consented to in writing by the Purchaser);
- (b) Covenants: All of the covenants and obligations of the Vendors to be performed or observed on or before the Closing pursuant to this Agreement having been duly performed or observed in all material respects (unless otherwise agreed or consented to in writing by the Purchaser);
- (c) Deliverables: The Vendors shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 8.2.

In the event that any of the foregoing conditions are not performed or fulfilled at or before the Outside Date, the Purchaser may terminate this Agreement, in which event, subject to Section 9.2, the Purchaser will be released from all obligations under this Agreement, and the Vendors will also be so released in each case

unless otherwise stated. The foregoing conditions are for the benefit of the Purchaser only and accordingly the Purchaser will be entitled to waive compliance with any such conditions if it sees fit to do so.

### **7.3 Conditions of the Vendors**

The obligation of the Vendors to complete the transaction contemplated by this Agreement is subject to the fulfilment of each of the following conditions:

- (a) Representations and Warranties: The representations and warranties of the Purchaser contained in this Agreement being true and correct in all material respects on and as of the Closing with the same effect as though such representations and warranties had been made as of the Closing;
- (b) Covenants: All of the covenants and obligations of the Purchaser to be performed or observed on or before the Closing pursuant to this Agreement having been duly performed or observed in all material respects;
- (c) Deliverables: The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendors and Monitor at the Closing all the documents contemplated in Section 8.3;
- (d) Purchase Price: The portion of the Purchase Price to be paid at Closing shall have been delivered in accordance with Subsection 3.3.

In the event that any of the foregoing conditions are not performed or fulfilled at or before the Outside Date, the Vendors may terminate this Agreement, in which event, subject to Section 9.2, the Vendors will be released from all obligations under this Agreement unless otherwise stated, and the Purchaser will forfeit its Deposit. The foregoing conditions are for the benefit of the Vendors only and accordingly the Vendors will be entitled to waive compliance with any such conditions if they see fit to do so.

## **8. CLOSING TRANSACTIONS**

### **8.1 Time and Place**

The Closing shall take place electronically at 12:00 p.m. Calgary time on the Closing Date or at such other time and date, or both, as the Vendors and the Purchaser or their respective solicitors may agree upon.

### **8.2 Vendors' Closing Documents**

At the Closing, the Vendors shall deliver or cause to be delivered, the following to the Purchaser:

- (a) the Estimated Working Capital Statement;
- (b) the Allocation Schedule;
- (c) a general conveyance, duly executed by the Vendors;
- (d) an assignment and assumption agreement, duly executed by the Vendors;
- (e) a bring-down certificate of the Vendors, executed by a director or officer of the Vendors;
- (f) the elections under section 167 of the *Excise Tax Act*;

- (g) the elections under section 22 of the *Income Tax Act*, as applicable;
- (h) all keys and access codes to the Premises in the possession of the Vendors;
- (i) the Books and Records, to the extent in the possession of the Vendors;
- (j) such other consents, waivers, documents or instruments as may be specifically required under this Agreement or that the Purchaser may reasonably request.

### **8.3 Purchaser's Closing Documents**

At the Closing the Purchaser shall deliver the following to the Vendors:

- (a) the portion of the Purchase Price payable at Closing, as set forth in Section 3.3;
- (b) a bring-down certificate of the Purchaser, executed by a director or officer of the Purchaser;
- (c) the Allocation Schedule;
- (d) a general conveyance, duly executed by the Purchaser;
- (e) an assignment and assumption agreement, duly executed by the Purchaser;
- (f) the Consulting Agreements, duly executed by the Purchaser;
- (g) the elections under section 167 of the *Excise Tax Act*;
- (h) the elections under section 22 of the *Income Tax Act*, as applicable;
- (i) confirmation that compliant offers have been extended to the Employees other than the Excluded Employees;
- (j) certified copies of resolutions of the Purchaser approving the transactions contemplated by this Agreement, including, without limitation, the purchase of the Purchased Assets and assumption of Assumed Liabilities, and the execution and delivery of this Agreement and all documents, instruments and agreements required to be executed and delivered by the Purchaser pursuant to this Agreement in such form and content as the Vendors may require, acting reasonably; and
- (k) such other consents, waivers, documents or instruments as may be specifically required under this Agreement or that the Vendors may reasonably request.

### **8.4 Concurrent Delivery**

It shall be a condition of the Closing that all matters of payment and the execution and delivery of documents by any party to the others pursuant to the terms of this Agreement shall be concurrent requirements and that nothing will be complete at the Closing until everything required as a condition precedent to the Closing has been paid, executed and delivered, as the case may be.

## **8.5 Monitor**

The Parties hereby acknowledge and agree that the Monitor will be entitled to issue the executed certificate of the Monitor, substantially in the form attached to the Vesting Order (the "**Monitor's Certificate**"), and file with the Court without independent investigation upon receiving written confirmation from the Vendors and the Purchaser that all conditions to Closing have been satisfied or waived and the Monitor will have no liability to the Vendors or the Purchaser or any other Person as a result of filing the Monitor's Certificate or otherwise in connection with this Agreement or the transactions contemplated hereunder (whether based on contract, tort or any other theory). For certainty, Closing will be deemed to occur on the issuance of the Monitor's Certificate and not the filing of same.

## **9. TERMINATION**

### **9.1 Grounds for Termination**

This Agreement may be terminated prior to Closing:

- (a) by the Vendors upon written notice to the Purchaser if:
  - (i) the Purchaser is not selected as a Successful Bidder;
  - (ii) the Closing has not occurred by the Outside Date; or
  - (iii) the Purchaser has breached its obligations under this Agreement and has not cured such breach within five (5) Business Days of receiving notice thereof from the Vendors;

provided in each case that the failure to close, as applicable, is not caused by a breach of this Agreement by the Vendors; or

- (b) by the Purchaser upon written notice to the Vendors if:
  - (i) the Vendors have breached their obligations under this Agreement and has not cured such breach within five (5) Business Days of receiving notice thereof from Purchaser;
  - (ii) if the Purchaser is not selected as the Successful Bidder;

provided that the failure to close, as applicable, is not caused by a breach of this Agreement by the Purchaser.

### **9.2 Effect of Termination**

Notwithstanding any other provisions of this Agreement and in addition to those provisions that are otherwise specifically stated to survive the termination of this Agreement, if this Agreement is terminated, the provisions of Sections 1.8 (Governing Law), 1.11 (Interpretation) 5.2 (As Is Where Is), 9.2 (Effect of Termination), 9.4 (Return of Information), 10.2 (Wrong Pocket, Reconciliations) 11.2 (Purchaser's Indemnity), 12.1 (Legal Fees and Other Expenses) 12.2 (Notices), 12.6 (Entire Agreement), 12.8 (Invalidity), 12.10 (Paramourncy), 12.11 (Monitor's Capacity) and 12.13 (Enurement) and any other section which by their nature contains obligations that continue after closing shall survive such termination and remain in full force and effect.

### **9.3 Break Fee**

Intentionally deleted.

### **9.4 Return of Information**

If the transaction contemplated pursuant to this Agreement is not completed, the Purchaser shall return to the Vendors all materials, documentation, data, records, drawings, and other papers and copies thereof (whether on paper or in electronic, magnetic, photographic, mechanical, or optical storage) relating to the Purchased Assets or the Business which is in the possession of the Purchaser and maintain the confidentiality of all information or knowledge obtained from the Vendors, and not use any such information or knowledge for any purpose whatsoever.

## **10. POST-CLOSING MATTERS**

### **10.1 Elections**

- (a) The Purchaser and the Vendors shall elect jointly under s. 167(1) of the *Excise Tax Act* (Canada), in the form prescribed for the purpose of that subsection, in respect of the sale and transfer of the Purchased Assets hereunder, and the Purchaser shall file such election no later than the deadline for filing its GST return for its reporting period that includes the Closing Date.
- (b) The Purchaser and the Vendors shall elect jointly under Section 22 of the *Income Tax Act* in respect to any accounts receivable forming part of the Purchased Assets. The Parties agree to file such election in a manner consistent with the allocation contemplated in Section 3.2.

### **10.2 Wrong Pocket, Reconciliations**

If any of the Vendors receive any amount in respect of either: (a) Accounts Receivable forming part of the Purchased Assets; or (b) related to the performance of an Assigned Contract during the period following Closing, the Vendors shall pay over to the Purchaser all monies collected by or paid to the Vendors properly on account of the Purchaser within 30 days of the Vendors receipt thereof. After Closing and for the pendency of the CCAA Proceeding, the Vendors will provide the Purchaser with weekly bank reports and copies of all bank deposit slips, cheque remittances and EFT remittances upon request.

### **10.3 Change and Use of Name**

Following Closing, the Vendors agree that they will use commercially reasonable efforts to promptly change each name of the Vendors so that they do not include any or all of the words "Collision Kings", "Arrow Auto Body", "Sunridge Collision", "East Lake Collision", "Stathko Investments", "Nick's Repair Service", or "Bunzy's Auto Body" or any part thereof or any similar words; provided that nothing herein will restrict the Vendors ability to use such names in and for the purpose of the CCAA Proceeding.

### **10.4 Access to Books and Records**

For a period of two (2) years from the Closing Date or for such longer period as may be reasonably required for the Vendors, the Monitor (or any trustee in bankruptcy of the estate of the Vendors) to comply with Applicable Law, the Purchaser will retain all original Books and Records that are transferred to the Purchaser under this Agreement, but the Purchaser is not responsible or liable for any accidental loss or

destruction of, or damage to, any such Books and Records. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, the Vendors (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the Vendors, including the Monitor) has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser.

## **11. INDEMNITIES**

### **11.1 Purchaser's Limitation**

Intentionally deleted.

### **11.2 Purchaser's Indemnity**

Subject to 11.1, the Purchaser shall indemnify and save harmless the Vendors and Monitor from and against all losses, costs, damages, expenses and liabilities, including without limitation legal fees, suffered or incurred by the Vendors in connection with, or arising out of:

- (a) a representation or warranty on the part of the Purchaser being untrue;
- (b) a breach of any agreement, covenant or obligation of the Purchaser in or under this Agreement or in or under any document, instrument or agreement delivered pursuant to this Agreement;
- (c) any Assumed Liabilities;
- (d) any liabilities or obligations of the Vendors relating to the Business or any of the Purchased Assets assumed by the Purchaser pursuant to this Agreement or pursuant to any document, instrument or agreement delivered pursuant to this Agreement, except to the extent that same arises as a result of a representation or warranty on the part of the Vendors being untrue or a breach of any agreement, covenant or obligation of the Vendors in or under this Agreement or in or under any document, instrument or agreement delivered pursuant to this Agreement; and
- (e) any claim, suit, demand, action, or proceeding made or brought against the Purchaser at any time by any person or Governmental Authority which in any way relates to any act, omission, matter or thing occurring in connection with the Business on or after the Closing, except to the extent that same arises as a result of a representation or warranty on the part of the Vendors being untrue or a breach of any agreement, covenant or obligation of the Vendors in or under this Agreement or in or under any document, instrument or agreement delivered pursuant to this Agreement.

## **12. MISCELLANEOUS**

### **12.1 Legal and Other Fees and Expenses**

Unless otherwise specifically provided herein, the parties will pay their respective legal, accounting and other professional fees and expenses incurred by each of them in connection with the negotiation and settlement of this Agreement, the completion of the transactions contemplated by this Agreement and other matters pertaining hereto.



## 12.2 Notices

Unless otherwise stated herein, any notice, request, demand or other communication required or permitted to be given under this Agreement shall be in writing and delivered by hand, facsimile transmission, e-mail or prepaid registered mail (return receipt requested) to the party to which it is to be given as follows:

To the Vendors:

371 Niagara Street  
Winnipeg, Manitoba R3C 0V3

With a copy to, which shall not constitute legal notice thereof:

MLT Aikins LLP  
30<sup>th</sup> Floor – 360 Main Street  
Winnipeg, Manitoba R3C 4G1  
Attention: JJ Burnell  
Email: [jburnell@mltaikins.com](mailto:jburnell@mltaikins.com)

To the Purchaser:

3935 Lakeshore Road  
Kelowna, British Columbia V1W 1V3

With a copy to, which shall not constitute legal notice thereof:

Lawson Lundell LLP  
1800-1631 Dickson Avenue  
Kelowna, British Columbia V1Y 0B5  
Attention: Aaron Dow  
Email: [adow@lawsonlundell.com](mailto:adow@lawsonlundell.com)

or to such other address, fax number or e-mail address as a party may specify by notice given in accordance with this section. Any such notice, request, demand or other communication given as aforesaid will be deemed to have been given, in the case of delivery by hand, when delivered, in the case of delivery by facsimile transmission or e-mail, when a legible facsimile or e-mail is received by the recipient if received before 5:00 p.m. on a Business Day, or on the next Business Day if such facsimile is received on a day which is not a Business Day or after 5:00 p.m. on a Business Day, and in the case of delivery by prepaid registered mail, as aforesaid, on the date received. In the event of discontinuance of postal service due to strike, lockout, labour disturbance or otherwise, notices, demands, requests and other communications shall be delivered by hand or by facsimile transmission.

## 12.3 Disclosure

The Vendors and Monitor shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings and this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings.

#### **12.4 Further Assurances**

Each of the Parties shall execute and deliver such further documents, instruments and agreements and do such further acts and things as may be reasonably required from time to time, either before, on or after the Closing Date, to carry out the full intent and meaning of this Agreement, give effect to the transactions contemplated by this Agreement.

#### **12.5 Time of the Essence**

Time shall be of the essence of this Agreement.

#### **12.6 Entire Agreement**

This Agreement and the documents and orders referenced herein constitute the entire agreement between the Vendors and the Purchaser pertaining to the transactions contemplated by this Agreement and supersedes all prior agreements, undertakings, negotiations and discussions, whether oral or written, of the Vendors and the Purchaser, including specifically the Original APA, and there are no warranties, representations, covenants, obligations or agreements between the Vendors (or any Affiliate thereof) and the Purchaser except as set forth in this Agreement.

#### **12.7 Assignment**

Except with the written consent of the other parties, none of the Parties may assign any of their respective benefits, obligations or liabilities under or in respect of this Agreement; provided however that: (a) the Vendors may assign their rights to receive any funds hereunder to any Person with the approval of the Monitor and upon notice to the Purchaser; and (b) at any time prior to the Closing, the Purchaser may, upon notice to the Vendors and Monitor, assign all of its rights and benefits under this Agreement to any Affiliate of the Purchaser which delivers to the Vendors an instrument in writing executed by the Affiliate confirming that it is bound by and shall perform all of the covenants and obligations of the Purchaser under this Agreement as if it were an original signatory thereto, jointly and severally bound thereby with the Purchaser, and such instrument in writing shall contain an acknowledgement of the Purchaser that it continues to be bound by this Agreement. Unless otherwise agreed in writing by the Vendors, no such assignment will relieve the Purchaser of its obligations and liabilities under this Agreement. In the event of an assignment contemplated above, any reference in this Agreement to “**Purchaser**” will be deemed to include the aforesaid assignee.

#### **12.8 Invalidity**

Each of the provisions contained in this Agreement is distinct and severable and a determination of illegality, invalidity or unenforceability of any such provision or part hereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof, unless as a result of such determination this Agreement would fail in its essential purposes.

#### **12.9 Waiver and Amendment**

Except as expressly provided in this Agreement, no amendment or waiver of it will be binding unless made in writing by the party to be bound by such amendment or waiver and approved by the Monitor. No waiver of any provision, or any portion of any provision, of this Agreement will constitute a waiver of any other part of the provision or any other provision of this Agreement nor a continuing waiver unless otherwise expressly provided.

**12.10 Paramountcy**

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other Closing Document executed or delivered in connection with this transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency unless otherwise stated.

**12.11 Monitor's Capacity**

In addition to all of the protections granted to the Monitor under the CCAA or any order of the Court in this CCAA Proceedings, the Purchaser acknowledges and agrees that the Monitor, acting in its capacity as Monitor and not in its corporate or personal capacity, will have no Liability to the Purchaser in connection with this Agreement or the transaction contemplated herein.

**12.12 Counterparts**

This Agreement may be signed in counterparts and by facsimile, PDF, or other electronic format and each such counterpart will constitute an original document and such counterparts, taken together, will constitute one and the same instrument.

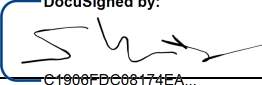
**12.13 Enurement**

This Agreement will enure to the benefit of and will be binding upon the Parties and their respective successors and any Affiliate of the Purchaser which is an assignee of the Purchaser, and any other assignee consented to, as contemplated in Section 12.7. Notwithstanding that the Monitor is not a Party to this Agreement, it shall be permitted and authorized to rely on and enforce the provisions of this Agreement.

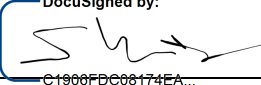
*[signature pages follows]*

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

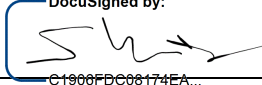
**2199931 ALBERTA LTD.**  
(by its authorized signatory)

DocuSigned by:  
  
Per: \_\_\_\_\_  
Name: Shane Daerden  
Title: Director

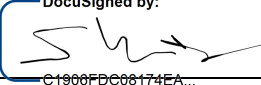
**ARROW AUTO BODY LTD.**  
(by its authorized signatory)

DocuSigned by:  
  
Per: \_\_\_\_\_  
Name: Shane Daerden  
Title: Director

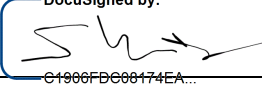
**SUNRIDGE COLLISION LTD.**  
(by its authorized signatory)

DocuSigned by:  
  
Per: \_\_\_\_\_  
Name: Shane Daerden  
Title: Director

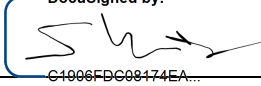
**EAST LAKE COLLISION LTD.**  
(by its authorized signatory)

DocuSigned by:  
  
Per: \_\_\_\_\_  
Name: Shane Daerden  
Title: Director

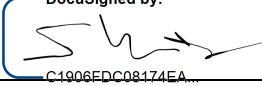
**STATHKO INVESTMENTS LTD.**  
(by its authorized signatory)

DocuSigned by:  
  
Per: \_\_\_\_\_  
Name: Shane Daerden  
Title: Director

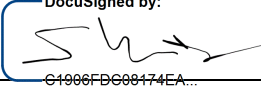
**NICK'S REPAIR SERVICE LTD.**  
(by its authorized signatory)

DocuSigned by:  
  
Per: \_\_\_\_\_  
Name: Shane Daerden  
Title: Director

**10026923 MANITOBA LTD.**  
(by its authorized signatory)

DocuSigned by:  
  
Per: \_\_\_\_\_  
Name: Shane Daerden  
Title: Director

**BUNZY'S AUTO BODY LTD.**  
(by its authorized signatory)

DocuSigned by:  
  
Per: \_\_\_\_\_  
Name: Shane Daerden  
Title: Director

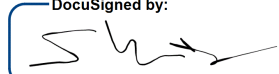
**LIFT AUTO GROUP OPERATING CORPORATION**

(by its authorized signatory)

Per: \_\_\_\_\_  
Name: Brad Kopp  
Title: Corporate Secretary


**CMD HOLDINGS INC.**

(by its authorized signatory)

DocuSigned by:  
  
Per: \_\_\_\_\_  
Name: Shane Daerden  
Title: Director

**ROYAL VISTA COLLISION LTD.**

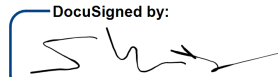
(by its authorized signatory)

DocuSigned by:  
  
Per: \_\_\_\_\_  
Name: Shane Daerden

Title: Director


**CMD GLASS LTD.**

(by its authorized signatory)

DocuSigned by:  
  
Per: \_\_\_\_\_  
Name: Shane Daerden  
Title: Director

**MAYLAND HEIGHTS COLLISION LTD.**

(by its authorized signatory)

DocuSigned by:  
  
Per: \_\_\_\_\_  
Name: Shane Daerden  
Title: Director

**LIFT AUTO GROUP OPERATING CORPORATION**

(by its authorized signatory)

DocuSigned by:  
  
Per: 099FFFDAAEEBA489...  
Name: Brad Kopp  
Title: Corporate Secretary

**CMD HOLDINGS INC.**

(by its authorized signatory)

Per: \_\_\_\_\_  
Name: Shane Daerden  
Title: Director

**ROYAL VISTA COLLISION LTD.**

(by its authorized signatory)

Per: \_\_\_\_\_  
Name: Shane Daerden  
Title: Director

**CMD GLASS LTD.**

(by its authorized signatory)

Per: \_\_\_\_\_  
Name: Shane Daerden  
Title: Director

**MAYLAND HEIGHTS COLLISION LTD.**

(by its authorized signatory)

Per: \_\_\_\_\_  
Name: Shane Daerden  
Title: Director

## **Schedule 1.1(h)**

### **Assigned Contracts**

#### **Alberta**

- a) Lease agreement dated September 25, 2020, between 1318920 Alberta Ltd., as landlord, and CMD Holdings Inc., as tenant;
- b) Lease agreement dated March 1, 2021, between Hansfeld Properties Ltd., as landlord, and Arrow Autobody Ltd.;
- c) Lease agreement dated May 14, 2007, between Autobahn Auto Works Ltd., as landlord, and Sunridge Collision Ltd., as tenant;
- d) Lease agreement dated effective May 4, 2011, between City of Calgary, as landlord, and Stathko Investments Ltd., as tenant;
- e) Lease agreement dated effective August 1, 2019, between DDG Holdings Ltd., as landlord, and Collision Kings 3 Ltd., as tenant; and
- f) Lease agreement dated effective November 25, 2019, between Triple G Investments Ltd., as landlord, and 2199931 Alberta Ltd., as tenant.
- g) Lease agreement dated March 2016 between, SOS 3633 Ltd., as lessor, and Arrow Autobody Ltd., as lessee.

#### **Saskatchewan**

- a) Lease agreement dated effective November 25, 2019, between Triple G Investments Ltd., as landlord, and 2199931 Alberta Ltd., as tenant.

**Schedule 1.1(ii)**

**Excluded Assets**

Nil.



## Schedule 1.1(jj)

### Permitted Encumbrances

- (a) The reservations, limitations, exceptions, provisos and conditions, if any, expressed in any original grants from the Crown, including, without limitation, the reservation of any mines and minerals in the Crown or in any other Person and any implied conditions set out in *The Law of Property Act* (Manitoba) as amended, replaced or restated from time to time or any other similar Applicable Law;
- (a) encumbrances given as security to a public utility or any Governmental Authority when required in the ordinary course of business;
- (b) all rights reserved to or vested in any Governmental Authority pursuant to Applicable Law to control or regulate the Purchased Assets in any manner, including any unregistered, undetermined or inchoate liens, levies or claims in favour of the Crown, any province or municipality or any other Governmental Authority;
- (c) rights of expropriation, access or use or any similar right conferred or reserved by any Applicable Law;
- (d) applicable municipal by-laws, development agreements, subdivision agreements, site plan agreements, servicing agreements, cost sharing reciprocal agreements and building and zoning restrictions and other similar agreements; and
- (e) any easements, servitudes, rights-of-way, licences, agreements, restrictions that run with the land (including, without limitation, easements, rights-of-way and agreements for railways, sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);

The following Alberta registrations:

- Nil.

The following Manitoba registrations:

- Caveat 1094591/5 registered in favour of the Manitoba Hydro-Electric Board on the property civically described as 149 MB-16 W, Neepawa, Manitoba and legally described as LOT 2 PLAN 52644 NLTO EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES AND MINERALS IN TRANSFER 95792 NLTO IN SW 1/4 32-14-15 WPM.
- Caveat 1028093/5 registered in favour of MTS Communications Inc. on the property civically described as 149 MB-16 W, Neepawa, Manitoba and legally described as LOT 2 PLAN 52644 NLTO EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES AND MINERALS IN TRANSFER 95792 NLTO IN SW 1/4 32-14-15 WPM

The following Saskatchewan registration:

- Nil.

**Schedule 1.1(rrr)**

**SISP**

See attached.

## Schedule "A"

### SALE AND INVESTMENT SOLICITATION PROCESS

#### COLLISION KINGS GROUP INC. ET AL

#### INTRODUCTION

- I. On February 7, 2024, the Honourable Justice Neilson in Alberta Court of King's Bench (the "**Court**") Action No. 2401-01778 (the "**CCAA Proceedings**") granted an order (the "**Initial Order**"), among other things:
  - (a) appointing FT! Consulting Canada Inc. ("**FTI**") as monitor (the "**Monitor**") of Collision Kings Group Inc., CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., Arrow Auto Body Ltd., CMD Glass Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd., Nick's Repair Service Ltd., 10026923 Manitoba Ltd. and Bunzy's Auto Body Ltd. (the "**CKG Group**" or the "**Debtors**");
  - (b) approving an interim financing agreement with the Toronto-Dominion Bank (the "**Interim Lender**") providing for financing to the Debtors up to a maximum principal amount of \$1,125,000, as well as granting a charge over all of the Debtors' present and future assets, property and undertakings of every nature and kind whatsoever, and wherever situate including all proceeds thereof;
  - (c) approving the transaction contemplated in the stalking horse asset purchase agreement (the "**Stalking Horse Bid**") between certain of the Debtors and the Lift Auto Group Operating Corporation (the "**Stalking Horse Bidder**"); and
  - (d) authorizing the Monitor, with the assistance of the Debtors, to conduct a sale and investment solicitation process (the "**SISP**") as further described herein to allow the Debtors to pursue all avenues of sale of their assets or investment in their business, in whole or in part, subject to prior approval of the Court before any material sale or investment.
2. The Debtors intend to provide all qualified interested parties with an opportunity to participate in the SISP.
3. This document (the "**SISP Procedure**") outlines the SISP, which is comprised of one phase and, if required, an auction.
4. All dollar amounts expressed herein, unless otherwise noted, are in Canadian currency. Unless otherwise indicated herein, any event that occurs on a day that is not a business day in the Province of Alberta (each, a "**Business Day**") shall be deemed to occur on the next Business Day. All references to time shall be to the current time in Calgary, Alberta. Capitalized terms not otherwise defined in this SISP Procedure shall have the meanings set forth in the materials filed by the Debtors in support of the SISP Procedure or the reports of the Monitor.

#### OPPORTUNITY

5. The SISP is intended to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Debtors' assets and business operations (the "**Opportunity**"). The Opportunity may include one or more of a restructuring, recapitalization or other form or reorganization of the business and affairs of the Debtors as a going concern, or a sale of all, substantially all, or one or

more components of the Debtors' assets (the "**Property**") and business operations (the "**Business**") as a going concern or otherwise.

6. Any sale of the Property or investment in the Business will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Monitor, the Debtors, or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Debtors in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, to the extent that the Court deems it appropriate to grant such relief and except as otherwise provided in the definitive agreement and such Court orders.

#### **TIMELINE**

7. The following table sets out the key milestones under the SISP:

<b>Milestone</b>	<b>Deadline</b>
Debtors to create list of Known Potential Bidders	February 7, 2024
Monitor to prepare and have available for Potential Bidders the Data Room	February 7, 2024
Monitor to distribute Teaser Letters and NDAs to Known Potential Bidders	February 10, 2024
Bid Deadline	March 8, 2024
Auction (if required)	March 13, 2024
Transaction Approval Application Hearing (if required)	March 18-22, 2024
Closing Date Deadline (other than the Stalking Horse Bid)	March 29, 2024

The dates set out in the SISP may be extended by the Monitor with the consent and approval of the Debtors.

#### **SOLICITATION OF INTEREST: NOTICE OF THE SISP**

8. As soon as reasonably practicable, but in any event by no later than February 7, 2024:
- (a) the Debtors, in consultation with the Monitor, will prepare a list of Potential Bidders (as defined herein), including:
- (i) parties that have approached the Debtors or the Monitor indicating an interest in the Opportunity; and
  - (ii) local and international strategic and financial parties who the Debtors, in consultation with the Monitor, believe may be interested in purchasing all or part of the Business and Property or investing in the Debtors pursuant to the SISP,
- (collectively, "**Known Potential Bidders**");
- (b) the Monitor will arrange for a notice of the SISP (and such other relevant information

which the Monitor, in consultation with the Debtors, considers appropriate) (the "**Notice**") to be published in the National Post, Insolvency Insider and any other industry publication, website, newspaper or journal as the Debtors, in consultation with the Monitor, consider appropriate, if any;

- (c) the Debtors will issue a press release with Canada Newswire setting out the information contained in the Notice and such other relevant information which the Debtors, in consultation with the Monitor, consider appropriate designating dissemination in Canada; and
- (d) the Debtors, in consultation with the Monitor, will prepare:
  - (i) a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and
  - (ii) a non-disclosure agreement in form and substance satisfactory to the Debtors and the Monitor, and their respective counsel (an "**NDA**").

9. The Monitor shall send the Teaser Letter and NOA to each Known Potential Bidder by no later than February 10, 2024 and to any other party who requests a copy of the Teaser Letter and NOA or who is identified to the Debtors or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

***Qualified Bidders***

10. Any party who wishes to participate in the SISP (each, a "**Potential Bidder**") other than the Stalking Horse Bidder, must deliver to the Monitor:
- (a) an executed NOA which shall inure to the benefit of any purchaser of the Business or Property, or any portion thereof;
  - (b) a letter setting forth the Potential Bidder's (i) identity, (ii) contact information and (iii) full disclosure of its direct and indirect principals; and
  - (c) a form of financial disclosure and credit quality support or enhancement that allows the Debtors and the Monitor to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate: (i) the acquisition of all, substantially all or a portion of the Property (each, a "**Sale Proposal**") or (ii) an investment in, restructuring, reorganization or refinancing of the Business or the Debtors (each, an "**Investment Proposal**"), as applicable.
11. If the Debtors and the Monitor, determine that a Potential Bidder has:
- (a) delivered the documents contemplated in paragraph 10 above; and
  - (b) the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a sale or investment pursuant to the SISP,

then such Potential Bidder will be deemed to be a "**Qualified Bidder**". For greater certainty, (i) provided the Stalking Horse Bid is approved by the Court, the Stalking Horse Bidder shall be

deemed to be a Qualified Bidder; and (ii) no Potential Bidder (other than the Stalking Horse Bidder) shall be deemed to be a Qualified Bidder without the approval of the Monitor.

12. At any time during the SISP, the Monitor may, in its reasonable business judgment and after consultation with the Debtors, eliminate a Qualified Bidder (other than the Stalking Horse Bidder) from the SISP, in which case such bidder will be eliminated from the SISP, will no longer be a Qualified Bidder for the purposes of this SISP, and shall have no further recourse as against the Debtors or the Monitor.

### *Due Diligence*

13. The Monitor, with the assistance of the Debtors, shall prepare a data room with additional information considered relevant to the Opportunity, including (a) a form of purchase agreement; and (b) an estimate of the total Purchase Price set out in the Stalking Horse Bid. The Debtors, the Monitor and their respective advisors make no representation or warranty whatsoever as to the information (including as to the accuracy or completeness of such information) made available pursuant to the SISP, including in the data room, except to the extent expressly contemplated in any definitive sale or investment agreement with a successful bidder ultimately executed and delivered by the Debtors.
14. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any transaction they enter into with the Debtors.
15. The Monitor, in consultation with the Debtors, shall, in its reasonable business judgment and subject to competitive and other business considerations, afford each Qualified Bidder such access to due diligence material and information relating to the Property and Business as they or the Monitor deem appropriate. Due diligence access may include management presentations, access to electronic data rooms, on-site inspections, and other matters which a Qualified Bidder may reasonably request and as to which the Debtors, in their reasonable business judgment and after consulting with the Monitor, may agree.
16. The Monitor shall designate a representative to coordinate all reasonable requests for additional information and due diligence access from Qualified Bidders and the manner in which such requests must be communicated. Neither the Debtors nor the Monitor shall be obligated to furnish any information relating to the Property or Business to any person other than to Qualified Bidders. Furthermore, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Qualified Bidders if the Debtors, in consultation with and with the approval of the Monitor, determine such information to represent proprietary or sensitive competitive information.

## **PHASE 1: BINDING BIDS**

### *Formal Binding Bids*

- I 7. Qualified Bidders that wish to make a formal offer to purchase or make an investment in the Debtors or their Property or Business shall submit a binding offer (a "**Binding Bid**") that complies with all of the following requirements to the Monitor at the address specified in Schedule "I" hereto (including by e-mail), so as to be received by them not later than 5:00 pm on March 8, 2024 or on such date and time as may be modified by the Monitor (the "**Bid Deadline**"):
  -

- (a) the bid (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Debtors or their Property or Business and is consistent with any necessary terms and conditions established by the Debtors and the Monitor and communicated to Qualified Bidders;
- (b) the bid includes a letter stating that the Qualified Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined herein), provided that if such Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;
- (c) the bid includes duly authorized and executed transaction agreements, substantially in the form provided in the data room, including the purchase price, investment amount and any other key economic terms expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto;
- (d) the bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Debtors and the Monitor to make a determination as to the Qualified Bidder's financial and other capabilities to consummate the proposed transaction;
- (e) the bid is not conditioned on (i) the outcome of unperformed due diligence by the Qualified Bidder, apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which was withheld from the Qualified Bidder, or (ii) obtaining financing, but may be conditioned upon the Debtors receiving the required approvals or amendments relating to the licences required to operate the Business, if necessary;
- (t) the bid (other than the Stalking Horse Bid) does not include a request for or entitlement to any break fee, expense reimbursement or other similar type payment if the bid is not selected as the Successful Bid (as defined herein);
- (g) the bid fully discloses the identity of each entity that will be entering into the transaction or the financing, or that is participating or benefiting from such bid;
- (h) for a Sale Proposal, the bid includes payment of a non-refundable deposit in the form of a wire transfer to a trust account specified by the Monitor (a "**Deposit**") in an amount not less than 20% of the Purchase Price by the Bid Deadline;
- (i) for an Investment Proposal, the bid includes payment of a Deposit in the amount of not less than 20% of the total new investment contemplated in the bid by the Bid Deadline;
- (j) the bid includes acknowledgements and representations of the Qualified Bidder that the Qualified Bidder:
  - (i) has had an opportunity to conduct any and all due diligence regarding the Property, the Business and the Debtors prior to making its offer (apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which were withheld from the Qualified Bidder);

- (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and
- (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Business, the Property, or the Debtors or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Debtors;
- (k) the bid and Deposit are received by the Bid Deadline;
- (l) the bid contemplates closing the transaction set out therein no later than March 29, 2024.

### *Assessment of Binding Bids*

18. Following the Bid Deadline, the Monitor, together with the Debtors and Interim Lender, will assess the Binding Bids received, following which they will designate the most competitive bids that comply with the foregoing requirements to be "**Qualified Bids**". No Binding Bids received (other than the Stalking Horse Bid) shall be deemed to be Qualified Bids without the approval of the Monitor. Only Qualified Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s). For certainty, provided the Stalking Horse Bid is approved by the Court, the Stalking Horse Bid is deemed to be a Qualified Bid.
19. If at the Bid Deadline, at least one Qualified Bid other than the Stalking Horse Bid has been received, the Monitor, in consultation with the Debtors and Interim Lender, will evaluate Qualified Bids based upon several factors including, without limitation:
- (a) the Purchase Price and the net value provided by such bid;
  - (b) the identity, circumstances and ability of the Qualified Bidder to successfully complete such transactions;
  - (c) the proposed transaction documents;
  - (d) factors affecting the speed, certainty and value of the transaction;
  - (e) the assets included or excluded from the bid;
  - (f) any related restructuring costs; and
  - (g) the likelihood and timing of consummating such transaction.

The Debtors may, with the approval of the Monitor and Interim Lender, choose to aggregate separate Binding Bids from unaffiliated Qualified Bidders to create one Qualified Bid if such aggregated Qualified Bid would constitute a superior offer.

### *Selection of Successful Bid*

20. For certainty, if at the Bid Deadline, no Qualified Bids have been received that improve upon the terms and conditions of the Stalking Horse Bid, as determined by the Monitor in consultation with the Debtors and Interim Lender, the Stalking Horse Bid will be declared the highest or otherwise best bid (the "**Successful Bid**", and, as applicable, the Qualified Bidder making such Successful



Bid, the "**Successful Bidder**") and will close in accordance with the terms of the Successful Bid and any applicable Court orders.

21. If the Monitor, in consultation with the Debtors and Interim Lender, determines, in its reasonable discretion, that:
  - (a) one or more Qualified Bids have been received for Property not contemplated in the Stalking Horse Bid, the Monitor may designate the applicable Qualified Bids as the respective Successful Bids for the applicable Property (as well as any applicable Back-up Bids).
  - (b) one or more Qualified Bids have been received for some or all of the Property contemplated in the Stalking Horse Bid, the Monitor may either:
    - (i) designate one or more Qualified Bids as Successful Bids and one or more of the other Qualified Bids as Back-up Bids; or
    - (ii) provide all parties that have made Qualified Bids, including the Stalking Horse Bidder, the opportunity to make further bids through the auction process set out below (the "**Auction**").

## **AUCTION**

### *Auction Process*

22. In the event of an Auction, the Monitor shall conduct the Auction commencing at 10:00 a.m. on March 13, 2024 at the offices of the Monitor's legal counsel, Cassels, Brock & Blackwell LLP, Suite 3810, Bankers Hall West, 888 3 St SW, Calgary, AB T2P 5C5, or such other location as shall be timely communicated to all entities entitled to attend at the Auction, which Auction may be adjourned by the Monitor.
23. The Auction shall run in accordance with the following procedures, which shall be adjusted accordingly in the event of any adjournment of the Auction by the Monitor:
  - (a) prior to 5:00 p.m. on March 11, 2024, the Monitor will provide unredacted copies of the Qualified Bid(s) which the Monitor believes is/are (individually or in the aggregate) the highest or otherwise best Qualified Bid(s) (the "**Starting Bid**") to all Qualified Bidders that have made a Qualified Bid;
  - (b) prior to 5:00 p.m. on March 12, 2024, each Qualified Bidder that has made a Qualified Bid must inform the Monitor by email whether it intends to participate in the Auction (the parties who so inform the Monitor that they intend to participate are hereinafter referred to as the "**Auction Bidders**");
  - (c) prior to the Auction, the Monitor shall develop a financial comparison model (the "**Comparison Model**") which will be used to compare the Starting Bid and all Subsequent Bids (as defined below) submitted during the Auction, if applicable;
  - (d) during the morning of March 13, 2024, the Monitor shall make itself available to meet with each of the Auction Bidders to review the procedures for the Auction, the mechanics of the Comparison Model, and the manner by which Subsequent Bids will be evaluated

during the Auction, and the Auction shall be held immediately thereafter;

- (e) only representatives of the Auction Bidders, the Monitor, and such other persons as permitted by the Monitor (and the advisors to each of the foregoing entities) are entitled to attend the Auction in person (and the Monitor shall have the discretion to allow such persons to attend by teleconference);
- (t) the Monitor shall arrange to have a court reporter attend the Auction;
- (g) at the commencement of the Auction, each Auction Bidder shall be required to confirm that it has not engaged in any collusion with any other Auction Bidder with respect to the bidding or any sale;
- (h) only the Auction Bidders will be entitled to make a Subsequent Bid (as defined below) at the Auction; provided, however, that in the event that any Qualified Bidder elects not to attend and/or participate in the Auction, such Qualified Bidder's Qualified Bid, shall nevertheless remain fully enforceable against such Qualified Bidder if it is selected as the Winning Bid (as defined below) or Back-up Bid;
- (i) all Subsequent Bids presented during the Auction shall be made and received in one room and on an open basis. All Auction Bidders will be entitled to be present for all Subsequent Bids at the Auction with the understanding that the true identity of each Auction Bidder at the Auction will be fully disclosed to all other Auction Bidders and that all material terms of each Subsequent Bid will be fully disclosed to all other Auction Bidders throughout the entire Auction;
- U) all Auction Bidders must have at least one individual present at the Auction with authority to bind such Auction Bidder;
- (k) the Monitor may employ and announce at the Auction such additional procedural rules that are reasonable under the circumstances (including but not limited to, the amount of time allotted to make a Subsequent Bid, requirements to bid in each round, and the ability of multiple Auction Bidders to combine to present a single bid) for conducting the Auction, provided that such rules are (i) not inconsistent with these SISP Procedures, general practice in insolvency proceedings, or the Initial Order and (ii) disclosed to each Auction Bidder at the Auction;
- (I) bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by an Auction Bidder (each, a "**Subsequent Bid**") that the Monitor, utilizing the Comparison Model, determines is:
  - (i) for the first round, a higher or otherwise better offer than the Starting Bid;
  - (ii) for subsequent rounds, a higher or otherwise better offer than the Leading Bid (as defined below),

in each case by at least the minimum incremental overbid of at least \$200,000. After the first round of bidding and between each subsequent round of bidding, the Monitor shall announce the bid (including the value and material terms thereof) that it believes to be the highest or otherwise best offer (in each round, the "**Leading Bid**"). A round

of bidding will conclude after each Auction Bidder has had the opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid;

- (m) to the extent not previously provided (which shall be determined by the Monitor), an Auction Bidder submitting a Subsequent Bid must submit, at the Monitor's discretion, as part of its Subsequent Bid, written evidence (in the form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Monitor), demonstrating such Auction Bidder's ability to close the transaction proposed by the Subsequent Bid;
  - (n) the Monitor reserves the right, in its reasonable business judgment, to make one or more adjournments in the Auction of not more than 24 hours each, to among other things (i) facilitate discussions between the Monitor and the Auction Bidders; (ii) allow the individual Auction Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and best offer at any given time in the Auction; and (iv) give Auction Bidders the opportunity to provide the Monitor with such additional evidence as the Monitor, in its reasonable business judgment, may require that that Auction Bidder has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing overbid amount;
  - (o) if, in any round of bidding, no new Subsequent Bid is made, the Auction shall be closed;
  - (p) the Auction shall be closed within 2 Business Days of the start of the Auction unless otherwise extended by the Monitor; and
  - (q) no bids (from Qualified Bidders or otherwise) shall be considered after the conclusion of the Auction.
24. At the end of the Auction, the Monitor shall select the winning bid (the "**Winning Bid**"). Once a definitive agreement has been negotiated and settled in respect of the Winning Bid as selected by the Monitor (the "**Selected Superior Offer**") in accordance with the provisions hereof, the Selected Superior Offer shall be the "**Successful Bid**" hereunder and the person(s) who made the Selected Superior Offer shall be the "**Successful Bidder**" hereunder.
25. Notwithstanding the foregoing, the Monitor may designate one or more Qualified Bids (whether made in the Auction or not) as a "**Back-up Bid**" and the person(s) who made the Back-up Bid shall be a "**Back-up Bidder**" hereunder. A Back-up Bid shall remain enforceable against the Back-up Bidder until either the transaction contemplated by the initial applicable Successful Bid closes (in which case the Back-up Bid shall be deemed to terminate and the Back-up Bidder shall receive its Deposit back) or the transaction contemplated by the initial Successful Bid does not close, in which case the Monitor may deem the best Back-up Bid to be the Successful Bid for the purposes of the SISP Procedures.

#### ***Transaction Approval Application Hearing***

26. If the Successful Bid is the Stalking Horse Bid, the Stalking Horse Bidder and Debtors will use best efforts to close the transaction by no later than March 15, 2024.

27. If the Stalking Horse Bid is not the Successful Bid, or if the Stalking Horse Bid is a Successful Bid and there is another Successful Bid for separate Property, the Debtors will bring an application to approve the transaction with the other Successful Bidder (the "**Transaction Approval Application**") as soon as reasonably practicable after finalization of the transaction agreement(s).
28. All the Qualified Bids other than the Successful Bid and Back-up Bids, if any, shall be deemed to be rejected on and as of the date of the closing of the transaction contemplated by the Successful Bid if the Stalking Horse Bid or Court approval of the Successful Bid if not the Stalking Horse Bid.

***Confidentiality and Access to Information***

29. All discussions regarding a Sale Proposal, Investment Proposal, Binding Bid or Qualified Bid shall be directed through the Monitor. Under no circumstances should the management or employees of the Debtors be contacted directly without the prior consent of the Monitor. Any such unauthorized contact or communication may result in exclusion of the interested party from the SISP Procedures.
30. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all current participants relating to the number or identity of Potential Bidders, Qualified Bidders, Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Debtors, the Monitor and such other bidders or Potential Bidders in connection with the SISP, except to the extent the Debtors, with the approval of the Monitor and Interim Lender and consent of the applicable participants, are seeking to combine separate bids from Qualified Bidders, in which case they shall use reasonable efforts to protect the confidentiality of such party's confidential information.
31. The Monitor may consult with any other parties with a material interest in the CCAA Proceedings (including the Interim Lender) regarding the status of and material information and developments relating to the SISP to the extent considered appropriate by the Monitor (taking into account, among other things, whether any particular party is a Potential Bidder, Qualified Bidder or other participant or prospective participant in the SISP or involved in a bid), provided that such parties shall have entered into confidentiality arrangements satisfactory to the Debtors and the Monitor.

***Deposits***

32. All Deposits shall be retained by the Monitor in a non-interest-bearing trust account located at a financial institution in Canada selected by the Monitor. The Monitor may waive the requirement of a Deposit if it believes sufficient security or certainty has been provided by a Qualified Bidder, including by way of a credit bid.
33. If there is a Qualified Bid that constitutes a Successful Bid, the Deposit paid by the Successful Bidder shall be applied to the consideration to be paid upon closing of the transaction constituting the Successful Bid.
34. The Deposit(s) from all Qualified Bidders submitting Qualified Bids that do not constitute a Successful Bid or a Back-up Bid shall be returned to such Qualified Bidder within five (5) Business Days of the date that the Debtors select a Successful Bid and Back-up Bid, if applicable.
35. If the Qualified Bidder making a Qualified Bid is selected as the Successful Bid and breaches or defaults on its obligation to close the transaction in respect of its Successful Bid, it shall forfeit its Deposit to the Monitor for and on behalf of the Debtors; provided however that the forfeit of such

Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Debtors have in respect of such breach or default.

36. If the Debtors are unable to complete the Successful Bid as a result of their own actions and not as a result of steps or conditions contained in the Successful Bid (or the actions of the Successful Bidder) then the Deposit shall be returned to the Successful Bidder.

*Supervision of/re SISP*

37. The Monitor shall oversee the conduct of the SISP in all respects. Without limitation to that supervisory role, the Monitor shall participate in the SISP in the manner set out in this SISP Procedure, the Initial Order, and any other order of the Court, and is entitled to receive all information in relation to the SISP. For the avoidance of doubt, the completion of any Sale Proposal or Investment Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.
38. The Monitor, in consultation with the Debtors and Interim Lender, may waive compliance with any one or more of the requirements of this SISP, including, for greater certainty, waiving strict compliance with any one or more of the requirements specified above and deem a non-compliant bid to be a Qualified Bid.
39. This **SISP** does not, and shall not be interpreted to, create any contractual or other legal relationship between the Debtors or the Monitor and any Potential Bidder, any Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Debtors.
40. Without limiting the preceding paragraph, the Monitor shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Qualified Bidder, the Successful Bidder, any Back-up Bidder, the Debtors, or any other creditor or other stakeholder of the Debtors, for any act or omission related to the process contemplated by this SISP Procedure, except to the extent such act or omission is the result from gross negligence or willful misconduct of the Monitor. By submitting a bid, each Potential Bidder, Qualified Bidder, Successful Bidder and Back-up Bidder shall be deemed to have agreed that it has no claim against the Monitor for any reason whatsoever, except to the extent that such claim is the result of gross negligence or willful misconduct of the Monitor.
41. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Binding Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
42. Subject to the terms of the Initial Order, the Monitor, in consultation with the Debtors and Interim Lender, shall have the right to modify the SISP if, in its reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP; provided that the service list in the CCAA Proceedings shall be advised of any substantive modification to the procedures set forth herein.
43. In order to discharge its duties in connection with the SISP the Monitor may engage professional or business advisors or agents as the Monitor deems fit in its sole discretion.

*Further Orders*

44. At any time during the SISP, the Monitor or the Debtors may apply to the Court for advice and directions with respect to the discharge of their powers and duties hereunder, if any.

## Schedule "1"

### **To the Monitor:**

#### **FTI Consulting Canada Inc., the Monitor**

Attention: Dustin Olver / Robert Kleebaum  
Email: dustin.olver@fticonsulting.com/ robert.kleebaum@fticonsulting.com

With a copy to:

#### **Cassels, Brock & Blackwell LLP, legal counsel to the Monitor**

Attention: Jeffrey Oliver/Danielle Marechal  
Email: joliver@cassels.com/dmarechal@cassels.com

### **To the Debtors:**

#### **Collision Kings Group Inc. et al, the Debtors**

Attention: Shane Daerden  
Email: shane@collisionkings.ca

#### **MLT Aikins LLP, legal counsel to the Debtors**

Attention: JJ Burnell  
Email: jburnell@mltaikins.com

**Schedule 1.1(xxx)**

**Vesting Order**

See attached.



COURT FILE NUMBER 2401-01778  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

Clerk's stamp

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

SB

AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF  
COLLISION KINGS GROUP INC., CMD  
HOLDINGS INC., EAST LAKE COLLISION LTD.,  
MAYLAND HEIGHTS COLLISION LTD.,  
SUNRIDGE COLLISION LTD., 2199931 ALBERTA  
LTD., COLLISION KINGS 3 LTD., ARROW AUTO  
BODY LTD., CMD GLASS LTD., ROYAL VISTA  
COLLISION LTD., STATHKO INVESTMENTS  
LTD., NICK'S REPAIR SERVICE LTD., 10026923  
MANITOBA LTD. and BUNZY'S AUTO BODY LTD.

APPLICANTS

COLLISION KINGS GROUP INC., CMD  
HOLDINGS INC., EAST LAKE COLLISION LTD.,  
MAYLAND HEIGHTS COLLISION LTD.,  
SUNRIDGE COLLISION LTD., 2199931 ALBERTA  
LTD., COLLISION KINGS 3 LTD., ARROW AUTO  
BODY LTD., CMD GLASS LTD., ROYAL VISTA  
COLLISION LTD., STATHKO INVESTMENTS  
LTD., NICK'S REPAIR SERVICE LTD., 10026923  
MANITOBA LTD. and BUNZY'S AUTO BODY LTD.

DOCUMENT

**APPROVAL AND VESTING ORDER  
(Lift Group Transaction)**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**MLT AIKINS LLP**  
Barristers and Solicitors  
360 Main St. 30<sup>th</sup> Floor  
Winnipeg, MB R3C 4G1  
Telephone: 204.957.4663  
Fax No.: 204.957.0840  
Attention: JJ Burnell  
Email: jburnell@mltaikins.com  
File No.: 0137640.00022

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**DATE ON WHICH ORDER WAS PRONOUNCED: FEBRUARY 14, 2024**

**LOCATION WHERE ORDER WAS PRONOUNCED: EDMONTON ALBERTA**

**NAME OF JUSTICE WHO MADE THIS ORDER: THE HONOURABLE JUSTICE M.J. LEMA**

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**UPON THE APPLICATION** by Collision Kings Group Inc., CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., Arrow Auto Body Ltd., CMD Glass Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd., Nick’s Repair Service Ltd., 10026923 Manitoba Ltd. and Bunzy’s Auto Body Ltd. (collectively the “**Applicants**”) for an order (this “**Order**”), among other things, approving the sale transaction and assignment of contracts (the “**Transaction**”) contemplated by the Asset Purchase Agreement (the “**APA**”) between CMD Holdings Inc., East Lake Collision Ltd., Sunridge Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., Arrow Auto Body Ltd., Stathko Investments Ltd., Nick’s Repair Service Ltd., 10026923 Manitoba Ltd. and Bunzy’s Auto Body Ltd. (the “**Vendors**”) and Lift Auto Group Operating Corporation (“**Lift**” or the “**Purchaser**”) dated January 31, 2024 and appended to the Affidavit of Shane Daerden sworn January 30, 2024 (the “**Daerden Affidavit**”), and vesting in the Purchaser the Vendors’ right, title and interest in and to the assets (the “**Purchased Assets**”) and the assignment of the Assigned Contracts (as defined in the APA) to the Purchaser;

**AND UPON HAVING READ** the Application, the Initial Order (the “**Initial Order**”) granted by Justice Neilson in the within proceedings on February 7, 2024, the Amended and Restated Initial Order (the “**ARIO**”) granted by Justice Lema in the within proceedings on February 14, 2024, the Daerden Affidavit, the Confidential Affidavit of Shane Daerden sworn January 30, 2024 (the “**Confidential Affidavit**”), the Pre-filing Report of the Court-appointed Monitor FTI Consulting Canada Inc. (“**FTI**” or the “**Monitor**”) dated February 5, 2024, the First Report of the Monitor dated February 9, 2024 and the Affidavit of Service of Champagne Taylor, sworn February 13, 2024; **AND UPON HEARING** the submissions of counsel for the Applicants, The Toronto-Dominion Bank, FTI, and the Purchaser, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

## APPROVAL OF TRANSACTION

2. The Transaction is hereby approved and execution of the APA by the Vendors is hereby authorized and approved, including with any amendments resulting from the Purchaser's participation in the Auction (as defined in the Sales and Investment Solicitation Process attached as Schedule "A" to the Initial Order (the "**SISP**") as the Vendors and the Monitor may deem necessary. The Vendors and the Monitor are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets and the assignment of the Assigned Contracts (as defined in the APA) to the Purchaser (the "**Assigned Contracts**"), pursuant to the APA in its original form or as amended as a result of the Auction.

## VESTING OF PROPERTY

3. Notwithstanding any other provision of this Order: (i) this Order shall only be effective and come into force upon the filing of a certificate by the Monitor (the "**Monitor's Bid Selection Certificate**") substantially in the form attached as **Schedule "A"**; and (ii) this Order may be set aside by this Honourable Court on further application by the Applicants if the APA is not determined to be the Successful Bid in the SISP and the Monitor's Bid Selection Certificate is not filed by the Monitor.
4. Upon delivery of a Monitor's certificate to the Purchaser substantially in the form set out in **Schedule "B"** hereto (the "**Monitor's Closing Certificate**") all of the Vendors' right, title and interest in and to the Purchased Assets shall vest absolutely in the name of the Purchaser, and all of the rights and obligations of the Vendors under and to the Assigned Contracts, shall be assigned, conveyed and transferred to, and assumed by, the Purchaser pursuant to section 11.3 of the CCAA free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgments, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the ARIO;
- (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), *The Personal Property Security Act* (Manitoba), *The Personal Property Security Act, 1993* (Saskatchewan) or any other personal property registry system;
- (c) any liens or claims of lien under *The Builders' Lien Act* (Manitoba); and
- (d) those Claims listed in **Schedule "E"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "F"** (collectively, "**Permitted Encumbrances**"))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

5. Upon delivery of the Monitor's Closing Certificate and the registration in the Winnipeg Land Titles Office ("**WLTO**") of a Transmission in the form prescribed by *The Real Property Act* (Manitoba) (the "**RPA**") duly executed by the Purchaser, and accompanied by a certified true copy of this Order, title to the real property identified in **Schedule "C"** hereto (the "**Bunzy's Real Property**") shall vest in the Purchaser subject to all instruments registered on title at that time, other than those described in Schedule "D", and the District Registrar of Manitoba is hereby directed to issue title accordingly.
6. Upon delivery of the Monitor's Closing Certificate and the registration in the Neepawa Land Titles Office ("**NLTO**") of a Transmission in the form prescribed by RPA duly executed by the Purchaser, and accompanied by a certified true copy of this Order, title to the real property identified in **Schedule "D"** hereto (the "**Nicks' Real Property**") shall vest in the Purchaser subject to all instruments registered on title at that time, other than those described in Schedule "D", and the District Registrar of Manitoba is hereby directed to issue title accordingly.
7. Upon delivery of the Monitor's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph, but subject to paragraphs 4 and 5 above

(collectively, “**Governmental Authorities**”) are hereby authorized, requested and directed to accept delivery of such Monitor’s Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing the Registrars of the Alberta, Manitoba and Saskatchewan Personal Property Registries (the “**PPR Registrars**”) shall each and is hereby directed to forthwith cancel and discharge any registrations at the respective Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Vendors in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.

8. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the APA. Presentment of this Order and the Monitor’s Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
9. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Vendors of the APA.
10. This Order shall be accepted by the District Registrar of Manitoba notwithstanding that the appeal period in respect of this Order has not elapsed, which appeal period is expressly waived.
11. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Monitor) shall stand in the place and stead of the Purchased Assets from and after delivery of the Monitor’s Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge,

security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Monitor shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Monitor may apply any part of such net proceeds to repay any amounts the Monitor has borrowed for which it has issued a Monitor's Certificate pursuant to the ARIO.

12. Except as expressly provided for in the APA or by sections 5 of the Alberta *Employment Standards Code* and *The Employment Standards Code* (Manitoba) and section 2-10 of *The Saskatchewan Employment Act* the Purchaser shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Vendors.
13. Upon completion of the Transaction, the Vendors and all persons who claim by, through or under the Vendors in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser.
14. The Purchaser shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Vendors, or any person claiming by, through or against the Vendors.
15. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Vendors.

16. The Monitor is directed to file with the Court a copy of the Monitor's Closing Certificate forthwith after delivery thereof to the Purchaser.
17. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the Alberta *Personal Information Protection Act*, the Vendors are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Vendors' records pertaining to the Vendors' past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Vendors was entitled.

### **ASSIGNMENT OF ASSIGNED CONTRACTS**

18. The assignment of the Assigned Contracts is declared valid and binding upon all of the counterparties to the Assigned Contracts notwithstanding any restriction, condition or prohibition contained in any such Assigned Contract relating to the assignment thereof, including any provision requiring the consent of any party to the assignment.
19. No counterparty under any Assigned Contract, nor any other person, upon the assignment and transfer to, and assumption by, the Purchaser of the Assigned Contracts hereunder shall make or pursue any demand, claim, action or suit or exercise any right or remedy under any Assigned Contract against the Purchaser relating to:
  - (a) the Applicants having sought or obtained relief under the CCAA;
  - (b) the insolvency of the Applicants; or
  - (c) any failure by the Applicants to perform a non-monetary obligation under any Assigned Contract,

and all such counterparties and persons shall be forever barred and estopped from taking such action. For greater certainty, nothing herein shall limit or exempt the Purchaser in respect of obligations accruing, arising or continuing after the Closing Date (as defined in the APA) under the Assigned Contracts other than in respect of items (a) – (b) above.

### **CURE COSTS**

20. All monetary defaults in relation to the Assigned Contracts existing prior to the Closing Date, if any, other than those arising by reason only of the insolvency of the Applicants,

the commencement of these CCAA proceedings or the failure to perform a non-monetary obligation under any Assigned Contract, shall be paid by the responsible party to the applicable counterparty on the Closing Date (or to the Monitor in trust on Closing for distribution to the applicable counterparty as soon as practicable thereafter) in accordance with the terms of the APA.

### **MISCELLANEOUS MATTERS**

21. Notwithstanding:

- (a) the pendency of these proceedings and any declaration of insolvency made herein;
- (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "**BIA**"), in respect of the Vendors, and any bankruptcy order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Vendors; and
- (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets and the Assigned Contracts in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and shall not be void or voidable by creditors of the Applicants, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

- 22. The Monitor, the Applicants, the Purchaser and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
- 23. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this



Court in carrying out the terms of this Order, to give effect to this Order and to assist the Applicants and the Monitor and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor and its agents in carrying out the terms of this Order.

24. Service of this Order shall be deemed good and sufficient by:

(a) Serving the same on:

- (i) the persons listed on the service list created in these proceedings;
- (ii) any other person served with notice of the application for this Order;
- (iii) any other parties attending or represented at the application for this Order;
- (iv) the Purchaser or the Purchaser's solicitors; and

(b) Posting a copy of this Order on the Monitor's website at:  
<http://cfcanada.fticonsulting.com/collisionkings>

and service on any other person is hereby dispensed with.

25. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.



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Justice of the Court of King's Bench of Alberta

**Schedule "A"**

**Form of Monitor's Bid Selection Certificate**

COURT FILE NUMBER 2401-01778  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

Clerk's stamp

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

AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF  
COLLISION KINGS GROUP INC., CMD  
HOLDINGS INC., EAST LAKE COLLISION LTD.,  
MAYLAND HEIGHTS COLLISION LTD.,  
SUNRIDGE COLLISION LTD., 2199931 ALBERTA  
LTD., COLLISION KINGS 3 LTD., ARROW AUTO  
BODY LTD., CMD GLASS LTD., ROYAL VISTA  
COLLISION LTD., STATHKO INVESTMENTS  
LTD., NICK'S REPAIR SERVICE LTD., 10026923  
MANITOBA LTD. and BUNZY'S AUTO BODY LTD.

APPLICANTS

COLLISION KINGS GROUP INC., CMD  
HOLDINGS INC., EAST LAKE COLLISION LTD.,  
MAYLAND HEIGHTS COLLISION LTD.,  
SUNRIDGE COLLISION LTD., 2199931 ALBERTA  
LTD., COLLISION KINGS 3 LTD., ARROW AUTO  
BODY LTD., CMD GLASS LTD., ROYAL VISTA  
COLLISION LTD., STATHKO INVESTMENTS  
LTD., NICK'S REPAIR SERVICE LTD., 10026923  
MANITOBA LTD. and BUNZY'S AUTO BODY LTD.

DOCUMENT

**MONITOR'S BID SELECTION CERTIFICATE  
(Lift Group Transaction)**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**CASSELS BROCK & BLACKWELL LLP**  
Barristers and Solicitors  
Suite 3810, Bankers Hall West, 888 3<sup>rd</sup> Street SW  
Calgary, AB T2P 5C5  
Telephone: 403.351.2921 / 403.351.2922  
Attention: Jeffrey Oliver / Danielle Marechal  
Email: joliver@cassels.com /  
dmarechal@cassels.com  
File No.: 55118-4

## RECITALS

- A. Pursuant to an Order of the Honourable Justice Neilson of the Court of King's Bench of Alberta, Judicial District of Edmonton (the "**Court**") dated February 7, 2024, as amended and restated by the Order of the Honourable Justice Lema dated February 14, 2024, FTI Consulting Canada Inc. was appointed as the Monitor (the "**Monitor**") of the undertakings, property and assets of (the "**Applicants**").
- B. Pursuant to an Order of the Court dated February 14, 2024 (the "**SAVO**"), the Court approved the asset purchase agreement made as of January 31, 2024 (the "**APA**") between the between CMD Holdings Inc., East Lake Collision Ltd., Sunridge Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., Arrow Auto Body Ltd., Stathko Investments Ltd., Nick's Repair Service Ltd., 10026923 Manitoba Ltd. and Bunzy's Auto Body Ltd. (the "**Vendors**") and Lift Auto Group Operating Corporation ("**Lift**" or the "**Purchaser**") and provided for the vesting in the Purchaser of the Vendors' right, title and interest in and to the Purchased Assets, and the assignment of the Assigned Contracts which vesting and assignment is to be effective with respect to the Purchased Assets and the Assigned Contracts upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price (as defined in the APA) for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 7 of the APA have been satisfied or waived by the Vendors and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the SAVO.

### **THE MONITOR CERTIFIES** the following:

1. The APA was not the Successful Bid as defined in the SISP or, in the alternative, the APA is the Successful Bid and, as a result, the Vendors intend to proceed to complete the Transaction contemplated by the APA; and

2. This Certificate was delivered by the Monitor at **[Time]** on **[Date]**.

**FTI Consulting Canada Inc., in its capacity as Monitor of the undertakings, property and assets of [Vendors], and not in its personal capacity.**

**Per: \_\_\_\_\_**  
**Name:**  
**Title:**

**Schedule "B"**

**Form of Monitor's Closing Certificate**

COURT FILE NUMBER 2401-01778  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

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

Clerk's stamp

AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF  
COLLISION KINGS GROUP INC., CMD  
HOLDINGS INC., EAST LAKE COLLISION LTD.,  
MAYLAND HEIGHTS COLLISION LTD.,  
SUNRIDGE COLLISION LTD., 2199931 ALBERTA  
LTD., COLLISION KINGS 3 LTD., ARROW AUTO  
BODY LTD., CMD GLASS LTD., ROYAL VISTA  
COLLISION LTD., STATHKO INVESTMENTS  
LTD., NICK'S REPAIR SERVICE LTD., 10026923  
MANITOBA LTD. and BUNZY'S AUTO BODY LTD.

APPLICANTS COLLISION KINGS GROUP INC., CMD  
HOLDINGS INC., EAST LAKE COLLISION LTD.,  
MAYLAND HEIGHTS COLLISION LTD.,  
SUNRIDGE COLLISION LTD., 2199931 ALBERTA  
LTD., COLLISION KINGS 3 LTD., ARROW AUTO  
BODY LTD., CMD GLASS LTD., ROYAL VISTA  
COLLISION LTD., STATHKO INVESTMENTS  
LTD., NICK'S REPAIR SERVICE LTD., 10026923  
MANITOBA LTD. and BUNZY'S AUTO BODY LTD.

DOCUMENT **MONITOR'S CLOSING CERTIFICATE  
(Lift Group Transaction)**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT **CASSELS BROCK & BLACKWELL LLP**  
Barristers and Solicitors  
Suite 3810, Bankers Hall West, 888 3<sup>rd</sup> Street SW  
Calgary, AB T2P 5C5  
Telephone: 403.351.2921 / 403.351.2922  
Attention: Jeffrey Oliver / Danielle Marechal  
Email: joliver@cassels.com /  
dmarechal@cassels.com  
File No.: 55118-4

## RECITALS

- A. Pursuant to an Order of the Honourable Justice Neilson of the Court of King's Bench of Alberta, Judicial District of Edmonton (the "**Court**") dated February 7, 2024, as amended and restated by the Order of the Honourable Justice Lema dated February 14, 2024, FTI Consulting Canada Inc. was appointed as the Monitor (the "**Monitor**") of the undertakings, property and assets of (the "**Applicants**").
- B. Pursuant to an Order of the Court dated February 14, 2024 (the "**SAVO**"), the Court approved the asset purchase agreement made as of January 31, 2024 (the "**APA**") between the between CMD Holdings Inc., East Lake Collision Ltd., Sunridge Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., Arrow Auto Body Ltd., Stathko Investments Ltd., Nick's Repair Service Ltd., 10026923 Manitoba Ltd. and Bunzy's Auto Body Ltd. (the "**Vendors**") and Lift Auto Group Operating Corporation ("**Lift**" or the "**Purchaser**") and provided for the vesting in the Purchaser of the Vendors' right, title and interest in and to the Purchased Assets, and the assignment of the Assigned Contracts which vesting and assignment is to be effective with respect to the Purchased Assets and the Assigned Contracts upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price (as defined in the APA) for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 7 of the APA have been satisfied or waived by the Vendors and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the SAVO.

### **THE MONITOR CERTIFIES** the following:

3. The Purchaser has paid and the Monitor has received the Purchase Price for the Purchased Assets and the Assigned Contracts payable on the Closing Date pursuant to the APA;
4. The applicable parties have paid and the Monitor has received any Cure Costs in respect of the Assigned Contracts pursuant to the APA;
5. The conditions to Closing as set out in Article 7 of the APA have been satisfied or waived by the Monitor and the Purchaser; and

6. The Transaction has been completed to the satisfaction of the Monitor.
7. This Certificate was delivered by the Monitor at **[Time]** on **[Date]**.

**FTI Consulting Canada Inc., in its capacity as Monitor of the undertakings, property and assets of [Vendors], and not in its personal capacity.**

**Per:** \_\_\_\_\_  
**Name:**  
**Title:**

**Schedule "C"**  
**Bunzy's Real Property**

**Title No. 1409033/1**

**REGISTERED OWNERS, TENANCY AND LAND DESCRIPTION**

BUNZY'S AUTO BODY LTD.

IS REGISTERED OWNER SUBJECT TO SUCH ENTRIES RECORDED HEREON IN THE  
FOLLOWING DESCRIBED LAND:

SP LOT 19 PLAN 32688 WLTO IN RL 35 PARISH OF ST JOHN



**Schedule "D"**  
**Nick's Real Property**

**Title No. 2985050/5**

**REGISTERED OWNERS, TENANCY AND LAND DESCRIPTION**

10026923 MANITOBA LTD.

IS REGISTERED OWNER SUBJECT TO SUCH ENTRIES RECORDED HEREON IN THE FOLLOWING DESCRIBED LAND:

PARCEL ONE:

PARCEL "B" PLAN 5203 NLTO EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES & MINERALS IN TRANSFER 95792 NLTO IN SW 1/4 32-14-15 WPM

PARCEL TWO:

PARCEL "B" PLAN 5203 NLTO SUBJECT TO SPECIAL RESERVATIONS AS TO MINES MINERALS AND OTHER MATTERS AS PARTICULARLY DEFINED IN THE ORIGINAL GRANT FROM THE CROWN IN SE 1/4 32-14-15 WPM

**Title No. 2985051/5**

**REGISTERED OWNERS, TENANCY AND LAND DESCRIPTION**

10026923 MANITOBA LTD.

IS REGISTERED OWNER SUBJECT TO SUCH ENTRIES RECORDED HEREON IN THE FOLLOWING DESCRIBED LAND:

LOT 2 PLAN 52644 NLTO EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES AND MINERALS IN TRANSFER 95792 NLTO IN SW 1/4 32-14-15 WPM

**Schedule "E"**  
**Claims**

Title No: 1409033/1 (Manitoba) BUNZY'S AUTO BODY LTD. SP LOT 19 PLAN 32688 WLTO IN RL 35 PARISH OF ST JOHN			
<b>Instrument Type</b>	<b>Registration Number</b>	<b>Registration Date</b>	<b>Registrant</b>
Mortgage	4982387/1	2018-07-31	Crosstown Civic Credit Union
Personal Property Security Notice	4994171/1	2018-09-04	Crosstown Civic Credit Union

Title No: 2985050/5 (Manitoba) 10026923 MANITOBA LTD. PARCEL ONE: PARCEL "B" PLAN 5203 NLTO EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES & MINERALS IN TRANSFER 95792 NLTO IN SW 1/4 32-14-15 WPM PARCEL TWO: PARCEL "B" PLAN 5203 NLTO SUBJECT TO SPECIAL RESERVATIONS AS TO MINES MINERALS AND OTHER MATTERS AS PARTICULARLY DEFINED IN THE ORIGINAL GRANT FROM THE CROWN IN SE 1/4 32-14-15 WPM			
<b>Instrument Type</b>	<b>Registration Number</b>	<b>Registration Date</b>	<b>Registrant</b>
Mortgage	1135535/5	2018-12-04	Royal Bank of Canada
Mortgage	1135536/5	2018-12-04	William Garth White & Gail Ann White

Title No: 2985051/5 (Manitoba)

10026923 MANITOBA LTD.

LOT 2 PLAN 52644 NLTO

EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES AND MINERALS IN  
TRANSFER 95792 NLTO

IN SW 1/4 32-14-15 WPM

<b>Instrument Type</b>	<b>Registration Number</b>	<b>Registration Date</b>	<b>Registrant</b>
Mortgage	1135535/5	2018-12-04	Royal Bank of Canada
Mortgage	1135536/5	2018-12-04	William Garth White & Gail Ann White

## Schedule "F"

### Permitted Encumbrances

- (a) the reservations, limitations, exceptions, provisos and conditions, if any, expressed in any original grants from the Crown, including, without limitation, the reservation of any mines and minerals in the Crown or in any other Person and any implied conditions set out in *The Law of Property Act* (Manitoba) as amended, replaced or restated from time to time or any other similar Applicable Law;
- (b) encumbrances given as security to a public utility or any Governmental Authority when required in the ordinary course of business;
- (c) all rights reserved to or vested in any Governmental Authority pursuant to Applicable Law to control or regulate the Purchased Assets in any manner, including any unregistered, undetermined or inchoate liens, levies or claims in favour of the Crown, any province or municipality or any other Governmental Authority;
- (d) rights of expropriation, access or use or any similar right conferred or reserved by any Applicable Law;
- (e) applicable municipal by-laws, development agreements, subdivision agreements, site plan agreements, servicing agreements, cost sharing reciprocal agreements and building and zoning restrictions and other similar agreements; and
- (f) any easements, servitudes, rights-of-way, licences, agreements, restrictions that run with the land (including, without limitation, easements, rights-of-way and agreements for railways, sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);

The following Alberta registrations:

- Nil.

The following Manitoba registrations:

- Caveat 1094591/5 registered in favour of the Manitoba Hydro-Electric Board on the property civically described as 149 MB-16 W, Neepawa, Manitoba and legally described as LOT 2 PLAN 52644 NLTO EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES AND MINERALS IN TRANSFER 95792 NLTO IN SW 1/4 32-14-15 WPM.
- Caveat 1028093/5 registered in favour of MTS Communications Inc. on the property civically described as 149 MB-16 W, Neepawa, Manitoba and legally described as LOT 2 PLAN 52644 NLTO EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES AND MINERALS IN TRANSFER 95792 NLTO IN SW 1/4 32-14-15 WPM

The following Saskatchewan registration:

- Nil.

## **Schedule 1.1(ww)**

### **Lands and Real Property Leases**

The following Alberta Lands and Real Property Leases:

- a) Lease agreement dated September 25, 2020, between 1318920 Alberta Ltd., as landlord, and CMD Holdings Inc., as tenant, for the property civically described as 4600-112 Ave, SE, Calgary, Alberta and legally described as PLAN 0611776 BLOCK 11 LOT 17 EXCEPTING THEREOUT ALL MINES AND MINERALS;
- b) Lease agreement dated March 1, 2021, between Hansfeld Properties Ltd., as landlord, and Arrow Autobody Ltd., as tenant, for the property civically described as 3648 Burnsland Road, SE, Calgary, Alberta and legally described as PLAN CALGARY 8490AP BLOCK NINE (9) LOTS SEVENTEEN (17) TO TWENTY FIVE (25) INCLUSIVE EXCEPTING THEREOUT: AS TO SURFACE ONLY OUT OF LOT TWENTY FIVE (25) THE PORTION FOR ROAD ON PLAN 8210927;
- c) Lease agreement dated May 14, 2007, between Autobahn Auto Works Ltd., as landlord, and Sunridge Collision Ltd., as tenant, as amended by a lease extension agreement dated November 17, 2021, for the property civically described as 2601-29<sup>th</sup> Street, NE, Calgary, Alberta and legally described as PLAN 8710359 BLOCK 6 LOT 13 EXCEPTING THEREOUT ALL MINES AND MINERALS;
- d) Lease agreement dated effective May 4, 2011, between City of Calgary, as landlord, and Stathko Investments Ltd., as tenant, for the property civically described as 1407-9 Avenue SW, Calgary, Alberta and legally described as PLAN 9211838 BLOCK 45 LOT 1 EXCEPTING THEREOUT: PLAN NUMBER HECTARES ACRES (MORE OR LESS) SUBDIVISION 9412695 0.097 0.34;
- e) Lease agreement dated effective August 1, 2019, between DDG Holdings Ltd., as landlord, and Collision Kings 3 Ltd., as tenant, for the property civically described 12624-99 Street, Grande Prairie, Alberta and legally described as PLAN 2524KS BLOCK 1 LOT 31 EXCEPTING THEREOUT ALL MINES AND MINERALS; PLAN 2524KS BLOCK 1 LOT 32 EXCEPTING THEREOUT ALL MINES AND MINERALS; PLAN 2524KS BLOCK 1 LOT 33 EXCEPTING THEREOUT ALL MINES AND MINERALS; PLAN 2524KS BLOCK 1 LOT 34 EXCEPTING THEREOUT ALL MINES AND MINERALS; and PLAN 2524KS BLOCK 1 LOT 35 EXCEPTING THEREOUT ALL MINES AND MINERALS; and
- f) Lease agreement dated effective November 25, 2019, between Triple G Investments Ltd., as landlord, and 2199931 Alberta Ltd., as tenant, for the property civically described 5706 – 44 Street, Lloydminster, Alberta and legally described as PLAN 320HW BLOCK 49 LOT 6 EXCEPTING THEREOUT ALL MINES AND MINERALS.
- g) Lease agreement dated March 2016 between, SOS 3633 Ltd., as lessor, and Arrow Autobody Ltd., as lessee, for the property civically described as 3633 Manchester Road SE Calgary, Alberta and legally described as Plan Calgary 8490 AP, Block 9, Lots 37 to 40 inclusive

The following Manitoba Lands:

- a) The lands and premises located at 149 MB-16 W, Neepawa, Manitoba and legally described as LOT 2 PLAN 52644 NLTO EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES AND MINERALS IN TRANSFER 95792 NLTO IN SW 1/4 32-14-15 WPM and PARCEL ONE: PARCEL "B" PLAN 5203 NLTO EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES & MINERALS IN TRANSFER 95792 NLTO IN SW 1/4 32-14-15 WPM, and PARCEL TWO: PARCEL "B" PLAN 5203 NLTO SUBJECT TO SPECIAL RESERVATIONS AS TO MINES MINERALS AND OTHER MATTERS AS PARTICULARLY DEFINED IN THE ORIGINAL GRANT FROM THE CROWN IN SE 1/4 32-14-15 WPM; and
- b) The lands and premises located at 52 Austin Street, Winnipeg, Manitoba and legally described as SP LOT 19 PLAN 32688 WLTO IN RL 35 PARISH OF ST JOHN.

The following Saskatchewan Lands and Real Property Leases:

- a) Lease agreement dated effective November 25, 2019, between Triple G Investments Ltd., as landlord, and 2199931 Alberta Ltd., as tenant, for the property civically described 4407 52 Street Lloydminster, Saskatchewan and legally described as Blk/Par C Plan No 75B00736 Extension 0 As described on Certificate of Title 01B01969.

**Schedule 1.1(hh)**

**Equipment and Personal Property**

- a) All equipment and personal property located at 3648 Burnsland Road, SE, Calgary, Alberta, as viewed by the Purchaser on January 29, 2024, including, but not limited to, the following:

<b>Asset List for Collision Kings - Burnsland</b>				
<b>Asset Listing</b>				
<b>Equipment Type</b>	<b>Owned?</b>	<b>Make</b>	<b>Model Number</b>	<b>Year of Purchase</b>
Paint Booth #1	N/A	Custom Made into building	N/A	
Paint Booth #2	N/A			
Prep Station	N/A			
Frame Machine	Yes	Car O Liner Bench Rack		2000's
Resistance Welder	Yes	Car O Liner CR500		2000's
Other Welders	Yes	SP5 Prospot		2010's
Other Welders	Yes	STRW Prospot I5		2010's
Other Welders	Yes	Miller 211		
3D Measuring System	Yes	Car O Liner Vision		2000's
Compressor	Yes	Kaesar 20 HP		2000's
AC Machines	Yes	RTI 134A		2000's
Aluminum Station and Tools	N/A	Shared		
Hoist	Yes	Wheel Tronic 11K LBS		Late 90's
Rivetor	N/A	Shared		

- b) All equipment and personal property located at 1407-9 Avenue SW, Calgary, Alberta, as viewed by the Purchaser on January 30, 2024, including, but not limited to, the following:

**Asset List for Collision Kings - Downtown**

Asset Listing				
Equipment Type	Owned?	Make	Model Number	Year of Purchase
Paint Booth #1	Yes	Garmat		1990's
Paint Booth #2	Yes	Older DD Booth possible Garmat		1980's
Prep Station	N/A	Duster 3000		2000's
Frame Machine	Yes	Wedge CAS		
Resistance Welder	Yes	Car O liner CR500		2000's
Other Welders	Yes	Miller 211		
Other Welders	Yes	Prospot SP5		2010's
Other Welders	N/A			
3D Measuring System	N/A	Tram Gauge only		
Compressor	Yes	Boge C15		2000's
AC Machines	Yes	CPS Dual		2010's
Aluminum Station and Tools	N/A	Shared		
Hoist	N/A			
Riveter	N/A	Shared		

- c) All equipment and personal property located at 4600-112 Ave, SE, Calgary, Alberta as viewed by the Purchaser on January 30, 2024, including, but not limited to, the following:

**Asset List for Collision Kings - East Lake**

Asset Listing				
Equipment Type	Owned?	Make	Model Number	Year of Purchase
Paint Booth #1	Yes	Garmat DD		1990's
Paint Booth #2	Yes	GFS Performer XP		2010's
Prep Station	Yes	Double Full Bake Possibly GFS		2000's
Frame Machine	Yes	Car O Liner Bench Rack +++ 2 Speed Racks		2000's
Resistance Welder	Yes	Prospot I4S		2010's
Other Welders	Yes	Prospt SP5		2010's
Other Welders	Yes	Miller 140		
Other Welders	N/A			
3D Measuring System	Yes	Car O Liner Vision		2000's
Compressor	Yes	Kaesar 30HO		2010's
AC Machines	Yes	RTI 134		2010's
Aluminum Station and Tools				
Hoist	Yes	Challenger SA10 10K Lbc		2010's
Riveter				



- d) All equipment and personal property located at 2601-29<sup>th</sup> Street, NE, Calgary, Alberta, as viewed by the Purchaser on January 29, 2024, including, but not limited to, the following:

**Asset List for Collision Kings - Sunridge**

Asset Listing				
Equipment Type	Owned?	Make	Model Number	Year of Purchase
Paint Booth #1	Yes	GFS Ultra		2000's
Paint Booth #2	Yes	GFS ultra		2000's
Prep Station	N/A			
Frame Machine	Yes	Col O Liner Bench Rack		2000's
Resistance Welder	Yes	Car O liner CR500		2000's
Other Welders	Yes	Prospot SP5		2010's
Other Welders	Yes	Miller 110		
Other Welders	N/A			
3D Measuring System	Yes	Car O Liner Vision		2000's
Compressor	Yes	Kaesar 51 HP		2010's
AC Machines	Yes	RTI 134		2010's
Aluminum Station and Tools	Yes	Dentfix		2010's
Hoist	Yes	John Bean 10LB		2010's
Riveter	Yes	Henrob FD		2010's

- e) All equipment and personal property located at 12624-99 Street, Grande Prairie, Alberta, as viewed by the Purchaser on November 24, 2023, including, but not limited to, the following:

**Asset List for Collision Kings - Grand Prairie**

Asset Listing				
Equipment Type	Owned?	Make	Model Number	Year of Purchase
Paint Booth #1	Yes	Pyramid	99	
Paint Booth #2				
Prep Station				
Frame Machine	Yes	Goliath		
Resistance Welder	Yes			
Other Welders	Yes			
Other Welders				
Other Welders				
3D Measuring System	Yes	Chief measuring		
Compressor	Yes			
AC Machines				
Aluminum Station and Tools				
Hoist				
Riveter	Yes			

- f) All equipment and personal property located at 5706 – 44 Street, Lloydminster, Alberta, as viewed by the Purchaser on November 23, 2023, including, but not limited to, the following:

**Asset List for Collision Kings - Lloyd AB**

Asset Listing				
Equipment Type	Owned?	Make	Model Number	Year of Purchase
Paint Booth #1	Yes	GFS Ultra		
Paint Booth #2				
Prep Station	Yes			
Frame Machine	Yes	Goliath		
Resistance Welder	Yes			
Other Welders				
Other Welders				
Other Welders				
3D Measuring System	Yes	Chief Laser Measuring		
Compressor	Yes			
AC Machines	Yes	Snap-on Eco Plus		
Aluminum Station and Tools				
Hoist				
Rivetor	Yes			

- g) All equipment and personal property located at 4407 52 Street Lloydminster, Saskatchewan, as viewed by the Purchaser on November 23, 2023, including, but not limited to, the following:

**Asset List for Collision Kings - Lloyd SK**

Asset Listing				
Equipment Type	Owned?	Make	Model Number	Year of Purchase
Paint Booth #1	Yes	GFS Certex CTOF		
Paint Booth #2	N/A			
Prep Station	Yes			
Frame Machine	Yes	World Rack		
Resistance Welder	Yes			
Other Welders	Yes			
Other Welders	N/A			
Other Welders				
3D Measuring System	Yes	Chief Laser Measuring		
Compressor	Yes			
AC Machines	Yes	CPS & Robinair		
Aluminum Station and Tools	Yes			
Hoist	Yes			
Rivetor	Yes			

- h) All equipment and personal property located at 52 Austin Street, Winnipeg, Manitoba, as viewed or will be viewed by the Purchaser on additional site visits, including, but not limited to, the following:

**Asset List for Collision Kings - Bunzy**

Asset Listing				
Equipment Type	Owned?	Make	Model Number	Year of Purchase
Paint Booth #1	Yes			
Paint Booth #2	Yes			
Prep Station				
Frame Machine	Yes			
Resistance Welder	Yes			
Other Welders	Yes			
Other Welders				
Other Welders				
3D Measuring System				
Compressor	Yes			
AC Machines				
Aluminum Station and Tools				
Hoist	Yes			
Rivetor				

- i) All equipment and personal property located at 149 MB-16 W, Neepawa, Manitoba, as viewed or will be viewed by the Purchaser on additional site visits, including, but not limited to, the following:

**Asset List for Collision Kings – Nick’s Repair**

Asset Listing				
Equipment Type	Owned?	Make	Model Number	Year of Purchase
Paint Booth #1	Yes			
Paint Booth #2				
Prep Station				
Frame Machine	Yes			
Resistance Welder	Yes			
Other Welders	Yes			
Other Welders				
Other Welders				
3D Measuring System				
Compressor	Yes			
AC Machines				
Aluminum Station and Tools				
Hoist	Yes			
Rivetor				

**Schedule 1.1(tt)**

**Intellectual Property**

**Registered Trademarks:**

<b>Trademark</b>	<b>Type</b>	<b>Registration No.</b>	<b>Current Owner</b>
COLLISION KINGS	Word	TMA1080745 (registered on 2020-07-27)	Collision Kings Group Inc.

**Trade Names**

- Arrow Auto Body
- Sunridge Collision
- East Lake Collision
- Don Golden Auto Body

**Domain Names, Phone Numbers, Email Addresses**

- collisionkings.ca
- facebook.com/CollisionKingsGroup
- instagram.com/CollisionKingsGroup
- (403) 250-7576
- (403) 264-7926
- (403) 265-6122
- (403) 261-3717
- (306) 825-0103
- (780) 875-9522
- (780) 539-6962
- (204) 476-5270

- (204) 942-7769

All additional phone numbers, email addresses, and website associated or owned by the Vendors.

**Schedule 3.2**

**Allocation Schedule**

To be provided prior to Closing.

	Proposed Allocation of Value									
	<u>Nicks</u>	<u>Bunzies</u>	<u>East Lake</u>	<u>Burnsland</u>	<u>Downtown</u>	<u>Sunridge</u>	<u>GP</u>	<u>Lloyd- SK</u>	<u>Lloyd - AB</u>	<u>Total</u>
Property	\$ 600,000	\$ 1,500,000								\$ 2,100,000
Equipment	\$ 25,000	\$ 25,000	\$ 450,000	\$ 550,000	\$ 350,000	\$ 350,000	\$ 500,000	\$ 350,000	\$ 500,000	\$ 3,100,000
Vehicles	\$ 20,000	\$ 15,000		\$ 2,500	\$ 15,000				\$ 30,000	\$ 82,500
Furniture & Fixtures	\$ 2,500	\$ 5,000	\$ 2,500	\$ 15,000	\$ 2,500	\$ 2,500	\$ 2,500			\$ 32,500
Leasehold Improvements			\$ 10,000	\$ 25,000	\$ 50,000	\$ 50,000	\$ 2,500			\$ 137,500
Goodwill			\$ 550,000	\$ 525,000	\$ 600,000	\$ 625,000	\$ 500,000	\$ 500,000	\$ 747,500	\$ 4,047,500
<b>Total Allocated Value</b>	<b>\$ 647,500</b>	<b>\$ 1,545,000</b>	<b>\$ 1,012,500</b>	<b>\$ 1,117,500</b>	<b>\$ 1,017,500</b>	<b>\$ 1,027,500</b>	<b>\$ 1,005,000</b>	<b>\$ 850,000</b>	<b>\$ 1,277,500</b>	<b>\$ 9,500,000</b>
Percentage of Allocation	6.8%	16.3%	10.7%	11.8%	10.7%	10.8%	10.6%	8.9%	13.4%	
Percentage of TD Secured Locations			13.9%	15.3%	13.9%	14.1%	13.8%	11.6%	17.5%	

Reduction of Bunzy's		(500,000)								(500,000)
Reallocation of Bunzy's Overage			69,278	76,463	69,620	70,304	68,765	58,159	87,410	500,000
Allocation of Closing Debt			95,375	105,265	95,846	96,788	94,668	80,068	120,337	688,346
Adjusted Allocation	\$ 647,500	\$ 1,045,000	\$ 1,177,153	\$ 1,299,228	\$ 1,182,966	\$ 1,194,592	\$ 1,168,433	\$ 988,227	\$ 1,485,247	\$ 10,188,346

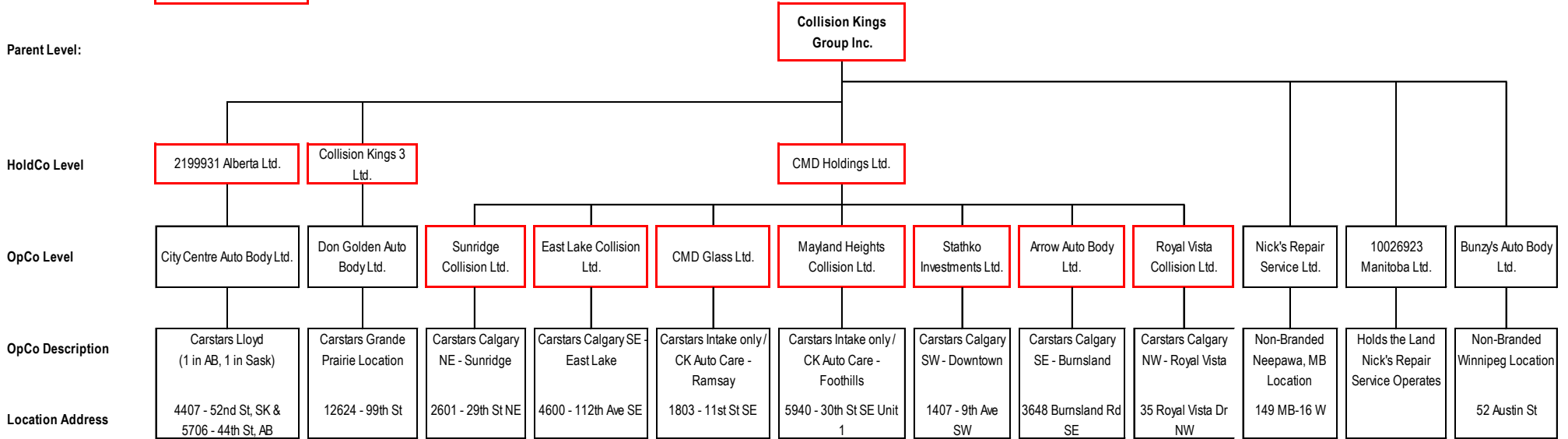
	Proposed Allocation of Value									
	<u>Nicks</u>	<u>Bunzies</u>	<u>East Lake</u>	<u>Burnsland</u>	<u>Downtown</u>	<u>Sunridge</u>	<u>GP</u>	<u>Lloyd- SK</u>	<u>Lloyd - AB</u>	<u>Total</u>
Property	600,000.00	1,000,000.00	-	-	-	-	-	-	-	1,600,000.00
Equipment	25,000.00	25,000.00	450,000.00	550,000.00	350,000.00	350,000.00	500,000.00	350,000.00	500,000.00	3,100,000.00
Vehicles	20,000.00	15,000.00	-	2,500.00	15,000.00	-	-	-	30,000.00	82,500.00
Furniture & Fixtures	2,500.00	5,000.00	2,500.00	15,000.00	2,500.00	2,500.00	2,500.00	-	-	32,500.00
Leasehold Improvements	-	-	10,000.00	25,000.00	50,000.00	50,000.00	2,500.00	-	-	137,500.00
Goodwill	-	-	714,652.84	706,727.95	765,465.94	792,092.14	663,433.19	638,227.07	955,247.16	5,235,846.28
	<b>\$ 647,500.00</b>	<b>\$ 1,045,000.00</b>	<b>\$ 1,177,152.84</b>	<b>\$ 1,299,227.95</b>	<b>\$ 1,182,965.94</b>	<b>\$ 1,194,592.14</b>	<b>\$ 1,168,433.19</b>	<b>\$ 988,227.07</b>	<b>\$ 1,485,247.16</b>	<b>\$ 10,188,346.28</b>

# **Appendix B**



**Collision Kings Group  
Organizational Chart  
Summary of Distribution Parties**

TD Secured Debtors



# Appendix C

## Collision Kings Group

CCAA 12-Week Cash Flow

Weeks Commencing (Monday) (CAD)	7-Oct-24 Forecast	14-Oct-24 Forecast	21-Oct-24 Forecast	28-Oct-24 Forecast	4-Nov-24 Forecast	11-Nov-24 Forecast	18-Nov-24 Forecast	25-Nov-24 Forecast	2-Dec-24 Forecast	9-Dec-24 Forecast	16-Dec-24 Forecast	23-Dec-24 Forecast	12-Week Forecast
Forecast Week	Wk 1	Wk 2	Wk 3	Wk 4	Wk 5	Wk 6	Wk 7	Wk 8	Wk 9	Wk 10	Wk 11	Wk 12	Total
<b>RECEIPTS</b>													
Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>DISBURSEMENTS</b>													
<i>Operating Disbursements</i>													
Employee Expenses	-	-	-	-	(6,500)	-	-	(10,000)	(5,500)	-	-	-	(22,000)
Operating Expenses	-	-	-	(70,578)	(3,540)	-	-	-	(3,540)	-	-	-	(77,658)
<i>Total Operating Disbursements</i>	-	-	-	(70,578)	(10,040)	-	-	(10,000)	(9,040)	-	-	-	(99,658)
<b>Net Operating Cash Flow</b>	\$ -	\$ -	\$ -	\$ (70,578)	\$ (10,040)	\$ -	\$ -	\$ (10,000)	\$ (9,040)	\$ -	\$ -	\$ -	\$ (99,658)
<i>Non-Operating Receipts &amp; Disbursements</i>													
Professional Fees	(34,672)	-	-	-	(120,000)	-	-	-	(17,500)	-	(80,000)	-	(252,172)
<i>Total Non-Operating Receipts &amp; Disbursements</i>	(34,672)	-	-	-	(120,000)	-	-	-	(17,500)	-	(80,000)	-	(252,172)
<b>NET CASH FLOWS</b>	\$ (34,672)	\$ -	\$ -	\$ (70,578)	\$ (130,040)	\$ -	\$ -	\$ (10,000)	\$ (26,540)	\$ -	\$ (80,000)	\$ -	\$ (351,829)
<b>CASH</b>													
Beginning Balance	\$ 4,778	\$ 10,106	\$ 10,106	\$ 10,106	\$ 9,529	\$ 14,489	\$ 14,489	\$ 14,489	\$ 4,489	\$ 87,949	\$ 87,949	\$ 7,949	\$ 4,778
Interim Financing (Draw)	-	-	-	-	-	-	-	-	-	-	-	-	-
Use of Sale Proceeds	40,000	-	-	70,000	135,000	-	-	-	110,000	-	-	-	355,000
Net Cash Inflows / (Outflows)	(34,672)	-	-	(70,578)	(130,040)	-	-	(10,000)	(26,540)	-	(80,000)	-	(351,829)
<b>ENDING CASH</b>	\$ 10,106	\$ 10,106	\$ 10,106	\$ 9,529	\$ 14,489	\$ 14,489	\$ 14,489	\$ 4,489	\$ 87,949	\$ 87,949	\$ 7,949	\$ 7,949	\$ 7,949



Collision Kings Group  
Shane Daerden, CEO

### Notes:

Management of Collision Kings Group has prepared this Projected Cash Flow Statement solely for the purposes of determining the liquidity requirements of CKG during the period of October 7, 2024 to December 29, 2024. This Projected Cash Flow Statement is based on probable and hypothetical assumptions detailed in Notes 1-6. Consequently, actual results will likely vary from actual performance and such variances may be material.

- [1] No collections anticipated as all working capital was purchased pursuant to the Enhanced Stalking Horse APA.
- [2] Semi-monthly payments to consultants required for final wind-down of operations.
- [3] G&A Expenses, Franchise fees and Software subscription costs to maintain data back-ups and corporate records. Includes estimate for fees to prepare final tax returns.
- [4] Professional fees relate to the Company's legal counsel, the Proposed Monitor and Proposed Monitor's legal counsel.
- [5] Interim Financing consists of advances under the Interim Facility
- [6] Use of Funds in Trust which are being held by the Monitor to be used for wind-down expenses and payment of professional fees.

# Appendix D

**Extract of Schedule 3.2 from the Enhanced Stalking Horse APA  
Final Purchase Price Allocation as agreed to by the Applicants and Lift**

	<b>Proposed Allocation of Value</b>									<b>Total</b>
	<b><u>Nicks</u></b>	<b><u>Bunzies</u></b>	<b><u>East Lake</u></b>	<b><u>Burnsland</u></b>	<b><u>Downtown</u></b>	<b><u>Sunridge</u></b>	<b><u>GP</u></b>	<b><u>Lloyd- SK</u></b>	<b><u>Lloyd - AB</u></b>	
Property	600,000.00	1,000,000.00	-	-	-	-	-	-	-	1,600,000.00
Equipment	25,000.00	25,000.00	450,000.00	550,000.00	350,000.00	350,000.00	500,000.00	350,000.00	500,000.00	3,100,000.00
Vehicles	20,000.00	15,000.00	-	2,500.00	15,000.00	-	-	-	30,000.00	82,500.00
Furniture & Fixtures	2,500.00	5,000.00	2,500.00	15,000.00	2,500.00	2,500.00	2,500.00	-	-	32,500.00
Leasehold Improvements	-	-	10,000.00	25,000.00	50,000.00	50,000.00	2,500.00	-	-	137,500.00
Goodwill	-	-	714,652.84	706,727.95	765,465.94	792,092.14	663,433.19	638,227.07	955,247.16	5,235,846.28
	<b>\$ 647,500.00</b>	<b>\$ 1,045,000.00</b>	<b>\$ 1,177,152.84</b>	<b>\$ 1,299,227.95</b>	<b>\$ 1,182,965.94</b>	<b>\$ 1,194,592.14</b>	<b>\$ 1,168,433.19</b>	<b>\$ 988,227.07</b>	<b>\$ 1,485,247.16</b>	<b>\$ 10,188,346.28</b>