



COURT FILE NUMBER 2401- 01778
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PROCEEDING IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, RSC 1985, c C-36, AS AMENDED

C20413
Type text here
Feb 7, 2024
COM

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., 2199931
ALBERTA LTD., COLLISION KINGS 3 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.,
ARROW AUTO BODY LTD., CMD GLASS LTD., ROYAL
VISTA COLLISION LTD., STATHKO INVESTMENTS
LTD., 2199931 ALBERTA LTD., COLLISION KINGS 3
LTD., NICK'S REPAIR SERVICE LTD., 10026923
MANITOBA LTD. and BUNZY'S AUTO BODY LTD.

DOCUMENT **ORIGINATING APPLICATION**

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AND CONTACT Barristers and Solicitors
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File No.: 0137640.00022

NOTICE TO RESPONDENTS:

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the judge.

To do so, you must be in Court when the applications are heard as shown below:

Initial Order Application:

Date: February 7, 2024
Time: 2:00 p.m.
Where: Edmonton Courts Centre – VIA WEBEX
Before: The Honourable Justice J.T. Neilson

Go to the end of this document to see what you can do and when you must do it.

REMEDY CLAIMED OR SOUGHT:

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**”) seek an Initial Order (the “**Initial Order Application**”) under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (“**CCAA**”), substantially in the form attached hereto as **Schedule “A”**, granting the following relief:
 - (a) declaring service of this Application and its supporting materials good and sufficient, and if necessary, abridging time for notice of the Application to the time actually given;
 - (b) declaring that the Applicants are companies to which the CCAA applies;
 - (c) authorizing the Applicants to remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”) and continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property;
 - (d) authorizing the Applicants to pay their reasonable expenses incurred in carrying out the Business in the ordinary course, including certain expenses incurred prior to the date of the Initial Order;

- (e) staying, for an initial period of not more than ten (10) days (the “**Stay Period**”), all proceedings, rights and remedies against or in respect of the Applicants or their Business or Property, or the Monitor (as defined below), except as otherwise set forth in the Initial Order or otherwise permitted by law;
- (f) appointing FTI Consulting Canada Inc. as the monitor (the “**Monitor**”) of the Applicants in these proceedings;
- (g) restraining any Person (as defined in the Initial Order) from accelerating performance of any rights in respect of the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Honourable Court;
- (h) restraining any Person from interfering with the supply of goods or services to the Applicants;
- (i) authorizing the Applicants to pay the reasonable fees and disbursements of the Monitor and its counsel, the Applicants’ professional advisors and legal advisors;
- (j) approving the Interim Financing Term Sheet (as defined below);
- (k) granting the following charges on the Property of the Applicants:
 - (i) an administration charge (the “**Administration Charge**”) not exceeding an aggregate amount of \$500,000.00 as security for the professional fees and disbursements of the Monitor, counsel for the Monitor and counsel for the Applicants, both before and after the approval of the Initial Order;
 - (ii) an interim financing charge (the “**Interim Lender’s Charge**”) not exceeding the principal sum of \$600,000.00, plus interest, costs and expenses in favour of The Toronto-Dominion Bank (the “**Interim Lender**”) as security for any advances made from the Interim Lender pursuant to the interim financing term sheet (the “**Interim Financing Term Sheet**”) enclosed at Exhibit “71” in the Affidavit of Shane Daerden, sworn January 30, 2024 (the “**Daerden Affidavit**”); and
 - (iii) a directors and officers charge (the “**Directors’ Charge**”) up to the aggregate amount of \$400,000.00 as security for the liabilities to which the

Applicants' directors and officers may be exposed after the commencement of these CCAA proceedings, except to the extent any obligation was incurred as a result of any director or officer's gross negligence or wilful misconduct;

- (l) approving the proposed form of Sale Investment and Solicitation Process enclosed as Schedule "A" to the Initial Order (the "**SISP**");
 - (m) approving the proposed form of stalking horse asset purchase agreement (the "**Stalking Horse Bid**") between Lift Auto Group Operation Corporation, as purchaser ("**Lift**") and 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., as vendors, the substantial form of which is attached at Exhibit "72" in the Daerden Affidavit;
 - (n) sealing the Confidential Affidavit of Shane Daerden, sworn on January 30, 2024 (the "**Confidential Affidavit**") until further order of this Court; and
 - (o) such further and other relief as this Honourable Court may deem just.
2. On February 14, 2024, at a subsequent hearing, the Applicants will be seeking the following relief (the "**Comeback Hearing**"):
- (a) an Amended and Restated Initial Order (the "**ARIO**") substantially in the form for the following relief:
 - (i) extending the Stay Period to March 29, 2024;
 - (ii) increasing the Interim Lender's Charge to the principal sum of \$1,125,000.00, plus interest, costs and expenses as set out in the Interim Financing Term Sheet;
 - (iii) granting a fourth-ranking charge against the Applicants' Property for a retention and incentive plan ("**RIP**") charge (the "**RIP Charge**") up to the amount of \$425,000.00 for individuals identified as critical management

personnel of the Applicants in order to retain and incentivize those parties to ensure the success of the CCAA Proceedings; and

- (iv) declaring certain essential suppliers to be critical suppliers in accordance with section 11.4 of the CCAA.
- (b) a Sale Approval and Vesting Order (the “**SAVO**”) substantially in the form attached approving the Stalking Horse Bid and authorizing the Applicants to enter into and close the transaction contemplated therein, in the event that the Stalking Horse Bid is selected as the Successful Bidder (as defined in the SISP); and
- (c) such further and other relief as this Honourable Court may deem just.

GROUND FOR MAKING THIS APPLICATION:

Background and Parties

3. The operating entities of the Collision Kings Group is comprised of a group of 10 collision repair shops and two autobody mechanic shops operating primarily out of Alberta, with locations in Saskatchewan and Manitoba.
4. CKGI is the parent company of CMD Holdings, 219 Alberta, CK3L, Nick’s Repair, 100 Manitoba and Bunzy’s, which operate out of the following locations:
 - (a) 219 Alberta operates two collision repair shops: one in Lloydminster, Alberta and one in Lloydminster, Saskatchewan;
 - (b) CK3L operates a collision repair shop in Grande Prairie, Alberta;
 - (c) Nick’s Repair operates a collision repair shop in Neepawa, Manitoba. 100 Manitoba owns the premises on which Nick’s Repair operates; and
 - (d) Bunzy’s operates a collision repair shop in Winnipeg, Manitoba (collectively, Nick’s Repair, 100 Manitoba and Bunzy’s are referred to herein as the “**Manitoba Locations**”).
5. CMD Holdings is an Alberta corporation and the parent company of the following entities operating in Calgary, Alberta: East Lake, Mayland Heights, Sunridge, Arrow, Royal Vista,

CMD Glass and Stathko Investments (collectively, the “**Calgary Locations**”; together with CK3L and 219 Alberta’s Lloydminster, AB operation, the “**Alberta Locations**”).

6. All of the Calgary Locations except Royal Vista and Mayland Heights operate collision repair shops; Royal Vista and Mayland operate an autobody mechanic shop.
7. All entities within the Collision Kings Group except the Manitoba Locations operate under franchise agreements with CARSTAR Canada Partnership, LP.
8. The various locations are funded through separate loans with different lenders and further operate independent, location-specific bank accounts. However, CKGI manages all entities within the Collision Kings Group, including their finances.
9. In September 2020, CKGI acquired the Calgary Locations pursuant to a transaction whereby 2270683 Alberta Ltd. (“**227 Alberta**”), which came to own all of the Calgary Locations at the time, amalgamated with CMD Holdings and CKGI acquired all issued and outstanding shares of CMD Holdings (the “**Calgary Acquisition**”).
10. Due to pandemic-era restrictions that significantly reduced commuter volumes, there were lower numbers of collisions and as a result, reduced intake at the collision repair shops.
11. In addition, there were significant disruptions to the global supply chain in the post-COVID era, exacerbated in part due to shipping blockages in the Suez and Panama canal in 2021 and 2023, respectively, a port strike at most of British Columbia’s marine terminals in July 2023 and an auto workers strike in the United States in September 2023. It became difficult to source the necessary parts required to complete a repair, doubling the turnaround time to repair and release a vehicle from approximately 12 business days to 24 business days.
12. Delays in turnaround time increased labour costs, carrying costs and accommodation costs such as rental fees. It also reduced the amount of work in progress invoices that could be billed within a month by more than half, which significantly reduced profit margins.
13. As a result of reduced intake and lower margins, the Calgary Locations were never able to achieve the projected gross revenues and profit necessary to service the increased debt load that followed the Calgary Acquisition.

14. The Applicants were required to take on more debt in an attempt to meet their liabilities as they become due. Around the fall of 2021, 219, East Lake, Mayland and Sunridge approached their primary secured lender, The Toronto-Dominion Bank ("**TD Bank**"), to discuss accessing additional capital to fund their businesses. Ultimately, these parties applied for HASCAP loans, as guaranteed by the Business Development Bank of Canada, which were eventually processed and granted in the spring of 2022.
15. However, the additional injection of borrowings was not enough to service the debt in combination with low revenues. The Collision Kings Group was moved into TD Bank's special loans group shortly thereafter.

Loan and Security Agreements

16. TD Bank is the Applicants' primary secured creditor, and holds secured loans with CMD Holdings, East Lake, Mayland Heights, Sunridge, CK3L, 219 Alberta and 227 Alberta (collectively, the "**TD Borrowers**"). 227 Alberta amalgamated with CMD Holdings in September 2020 as part of the Calgary Acquisition.
17. Arrow, CMD Glass, Royal Vista, Stathko Investments and CKGI (collectively, and in such capacity, the "**TD Guarantors**", and together with the TD Borrowers, the "**TD Loan Parties**") all provided various guarantees for the TD Borrowers. The TD Borrowers have further granted cross-guarantees of each other's debt obligations to TD Bank.
18. All of the TD Loan Parties have provided general security agreements in favour of TD Bank.
19. Royal Bank of Canada ("**RBC**") holds a secured loan for 100 Manitoba (the "**RBC Loan**"), as secured by a general security agreement and real property mortgage from 100 Manitoba. The RBC Loan is further secured by guarantees from [REDACTED], [REDACTED], Shane Daerden, [REDACTED] Nick's Repair and CKGI, as well as by postponements and assignments of claim from Gail White and Garth White.
20. Access Credit Union ("**ACU**") holds a secured loan for Bunzy's (the "**ACU Loan**"), as secured by a general security agreement and real property mortgage from Bunzy's. The ACU Loan is further secured by corporate guarantees from [REDACTED] and CKGI, up to the maximum amount of \$598,000; personal guarantees from Shane Daerden, [REDACTED], [REDACTED] and [REDACTED], up to

the maximum amount of \$598,000; and an assignment and postponement of shareholder loans.

21. Don Golden Autobody holds a promissory note from CK3L in the principal amount of \$320,000, as secured by a general security agreement from CK3L and an unlimited personal guarantee granted by Shane Daerden.
22. Christos Stathonikos Family Trust, Matthew Stathonikos Family Trust, David Stretz Family Trust, Domna Investments Inc., 1427916 Alberta Inc. and 1427913 Alberta Inc. (collectively, the “**Stathonikos Vendors**”) hold a promissory note from 227 Alberta (now CMD Holdings) in the principal amount of \$500,000 (the “**Stathonikos Promissory Note**”), as secured against all of 227 Alberta’s present and after acquired personal property.
23. Axalta Coating Systems Canada Company (“**Axalta**”) holds several Incentive Agreements and Master Incentive Agreements with various of the Applicants. In support of its agreements with Axalta, 227 Alberta granted Axalta a general security agreement.
24. Gail White and Garth White hold promissory notes from 100 Manitoba in the collective principal of \$250,000, or \$127,500 each (the “**White Promissory Notes**”). The White Promissory Notes are secured by a vendor take back mortgage against property owned by 100 Manitoba.

Other Liabilities

25. As at January 29, 2024, the estimated total value of the Collision Kings Group’s assets is \$7,205,553, consisting of cash, account receivables, work in progress, prepaid expenses/deposits, and fair market value of equipment, buildings and vehicles.
26. As at January 29, 2024, 2024, the estimated total value of the Collision Kings Group’s liabilities is approximately \$27,235,740, consisting of accounts payable, accrued liabilities and secured loans.
27. The Applicants’ unsecured liabilities include, among others, \$7,557,012 in outstanding accounts payable; \$3,750,000 to Axalta and Rondex, jointly; \$230,772 to just Axalta; \$400,112.01 in outstanding franchise fees to Carstar; and \$150,851 in outstanding equipment lease payments.

28. To date, the Applicants have been sent nine civil claims seeking judgment in the aggregate amount of \$396,848.55, and four demand letters demanding payment of the aggregate amount of \$513,392.94.
29. As of January 29, 2024, the Applicants collectively owe \$17,745.84 in outstanding provincial sales tax in Manitoba and approximately \$266,391 in outstanding federal GST.
30. All of the Applicants are current on their commercial lease payments.
31. From late 2022 through 2023, many of the Applicants' vendors would only supply parts and materials on a cash-on-delivery basis, while other vendors cut off the Applicants entirely. The Applicants have received numerous demands and civil actions respecting unpaid trade creditors and their revenue streams are simply insufficient to pay all of their outstanding liabilities on top of servicing their debt with secured lenders.

Demands and Current Forbearance

32. On October 27, 2023, the Stathonikos Vendors issued a demand to 227 Alberta (now CMD Holdings) pursuant to the Stathonikos Promissory Note (the "**Stathonikos Demand**"). The demand alleges that 227 Alberta failed to pay the third instalment of \$166,666.66 plus accrued interest by September 18, 2023, and as a result, the entire principal balance of \$500,000 is due and owing. The Stathonikos Vendors are stayed under a Priority Agreement with TD Bank that requires the Stathonikos Vendors to provide 120 days' notice prior to taking enforcement steps.
33. The Stathonikos Vendors also provided the Stathonikos Demand to TD Bank. Shortly thereafter, on November 8, 2023, TD Bank demanded on its loans by issuing demands and Notices of Intention to Enforce Security.
34. On December 22, 2023, the TD Loan Parties and TD Bank entered into a forbearance agreement, as amended on January 11, 2024 and again on January 26, 2023 (collectively, the "**Forbearance Agreement**"). Pursuant to the Forbearance Agreement, TD Bank provided the TD Loan Parties with limited additional liquidity on the condition that the TD Loan Parties source an Indication of Interest and eventually a Letter of Interest for the purchase of all or substantially all of the TD Loan Parties' assets, among other conditions.

35. After entering into the Forbearance Agreement with TD Bank, the Applicants executed an Indication of Interest with Lift (the “**Lift IOI**”), and later into a Letter of Interest with Lift (the “**Lift LOI**”). A large portion of the terms of the Lift LOI have been negotiated into the Stalking Horse Bid to be considered in conjunction with the SISP.
36. As early as 2021, the Applicants have been working closely with TD Bank to access additional capital, negotiate reduced commercial lease rates or rental pauses with commercial landlords, negotiate payment plans with critical suppliers, and explore options for strategic financing and recapitalization.

Necessity of CCAA Relief

37. The Applicants are currently in the midst of a liquidity crisis, primarily due to the dramatic reduction in revenues following the pandemic-era restrictions and ensuing disruptions to the global supply chain. The Applicants need to restructure their affairs, including by compromising their mounting unsecured trade debt and chronically underfunded secured debt in order to continue their operations as a going concern.
38. The Applicants require the stability of the stay of proceedings and access to interim financing to run the SISP in order to maximize value for their stakeholders and/or obtain additional investment in a restructured entity.
39. At the Initial Application on February 7, 2024, the Applicants are requesting this Honourable Court’s approval of the Initial Order providing for:
 - (a) a stay of proceedings, approving the Interim Financing Term Sheet, the Administration Charge, the Interim Lender’s Charge, the Directors’ Charge;
 - (b) the approval the SISP and the form of Stalking Horse Bid; and
 - (c) the sealing of the Confidential Affidavit.
40. At the Comeback Application on February 14, 2024, the Applicants will be requesting this Honourable Court’s approval of:
 - (a) the ARIO extending the stay of proceedings to March 29, 2024, increasing the Interim Lender’s Charge, providing for the RIP Charge and declaring certain suppliers to be critical suppliers; and

- (b) the SAVO respecting the Stalking Horse Bid if the Stalking Horse Bid is the Successful Bid (as defined in the SISP) at the conclusion of the SISP.
41. TD Bank, who is the senior secured lender and interim financier, supports these Applications.
 42. The Applicants further rely on:
 - (a) the grounds set out in the Affidavit of Shane Daerden, sworn on January 30, 2024 and the Confidential Supplemental Affidavit of Shane Daerden, sworn on January 30, 2024;
 - (b) the provisions of the CCAA and the equitable jurisdiction of this Court; and
 - (c) such further and other grounds as counsel for the Applicants may advise and this Honourable Court may permit.

Material or evidence to be relied on:

43. The Affidavit of Shane Daerden, sworn on January 30, 2024;
44. The Confidential Affidavit of Shane Daerden sworn on January 30, 2024;
45. The Pre-filing Report of the Proposed Monitor, FTI Consulting Canada Inc., to be filed;
46. The consent of FTI Consulting Canada Inc. to act as Monitor of the Applicants;
47. Such further and other materials as counsel for the Proposed Monitor or the Applicants may advise and this Honourable Court may permit.

Applicable rules:

48. Part 6, Division 1 of the Alberta *Rules of Court*, Alta Reg 124/2010.

Applicable Acts and regulations:

49. The *Companies' Creditors Arrangement Act*, RSC 1985, c C-36; and
50. Such further and other Acts or regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

51. None.

How the application is proposed to be heard or considered:

52. By WebEx videoconference before the Honourable Justice J.T. Neilson.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant a reasonable time before the application is to be heard or considered.

SCHEDULE "A"

Initial Order

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

Clerk's stamp

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., 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

CCAA INITIAL ORDER

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

MLT AIKINS LLP
Barristers and Solicitors
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Telephone: 204.957.4663
Fax No.: 204.957.0840
Attention: JJ Burnell
Email: jburnell@mltaikins.com
File No.: 0137640.00022

DATE ON WHICH ORDER WAS PRONOUNCED: FEBRUARY 7, 2024

LOCATION WHERE ORDER WAS PRONOUNCED: EDMONTON ALBERTA

**NAME OF JUSTICE WHO MADE THIS ORDER: THE HONOURABLE JUSTICE J.T.
NEILSON**

UPON the application 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. (collectively the "**Applicants**"); **AND UPON** having read the Originating Application, the Affidavit of Shane Daerden sworn January 30, 2024 (the "**Daerden Affidavit**"), the Confidential Affidavit of Shane Daerden sworn January 30, 2024 (the "**Confidential Affidavit**"), and the Affidavit of Service of [REDACTED], filed; **AND UPON** reading the consent of FTI Consulting Canada Inc. ("**FTI**" or the "**Monitor**") to act as Monitor; **AND UPON** being advised that the secured creditors who are likely to be affected by the charges created herein have been provided notice of this application and either do not oppose; **AND UPON** hearing counsel for the Applicants, The Toronto-Dominion Bank, FTI, **AND UPON** reading the Pre-Filing Report of FTI dated January [REDACTED], 2024; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. The time for service of the notice of application for this order (the "**Order**") is hereby abridged and deemed good and sufficient and this application is properly returnable today.

APPLICATION

2. The Applicants are each companies to which the *Companies' Creditors Arrangement Act* of Canada (the "**CCAA**") apply.

PLAN OF ARRANGEMENT

3. The Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan or plans of compromise or arrangement (the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. The Applicants shall:
 - (a) remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**");

- (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property;
 - (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by it, with liberty to retain such further Assistants as each deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order; and
 - (d) be entitled to continue to utilize the central cash management system currently in place as described in the Daerden Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.
5. To the extent permitted by law, the Applicants shall be entitled but not required to make the following advances or payments of the following expenses, incurred prior to or after this Order:
- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

- (b) the reasonable fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges, including for periods prior to the date of this Order.
- 6. Except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
 - (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
 - (b) payment for goods or services actually supplied to the Applicants following the date of this Order.
- 7. The Applicants shall remit, in accordance with legal requirements, or pay:
 - (a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority that are required to be deducted from employees' wages, including, without limitation, amounts in respect of:
 - (i) employment insurance,
 - (ii) Canada Pension Plan,
 - (iii) Quebec Pension Plan, and
 - (iv) income taxes,but only where such statutory deemed trust amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;
 - (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or

collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and

- (c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and that are attributable to or in respect of the carrying on of the Business by the Applicants.
8. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicants may pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Applicants from time to time for the period commencing from and including the date of this Order ("**Rent**"), but shall not pay any rent in arrears.
9. Except as specifically permitted in this Order, the Applicants are hereby directed, until further order of this Court:
- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of its creditors as of the date of this Order;
 - (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and
 - (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. The Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined in paragraph [33]), have the right to:
- (a) permanently or temporarily cease, downsize or shut down any portion of their businesses or operations and to dispose of redundant or non-material assets not exceeding \$250,000.00 in any one transaction or \$1,000,000.00 in the aggregate, provided that any sale that is either (i) in excess of the above thresholds, or (ii) in

favour of a person related to the Applicants (within the meaning of section 36(5) of the CCAA), shall require authorization by this Court in accordance with section 36 of the CCAA;

- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate on such terms as may be agreed upon between the Applicants and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;
- (c) disclaim or resiliate, in whole or in part, with the prior consent of the Monitor (as defined below) or further Order of the Court, their arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Applicants deems appropriate, in accordance with section 32 of the CCAA; and
- (d) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

11. The Applicants shall provide each of the relevant landlords with notice of the respective Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further order of this Court upon application by the Applicant on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicant disclaims or resiliates the lease governing such leased premises in accordance with section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute other than Rent payable for the notice period provided for in section 32(5) of the CCAA, and the disclaimer or resiliation of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

12. If a notice of disclaimer or resiliation is delivered pursuant to section 32 of the CCAA, then:
 - (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the respective Applicant and the Monitor 24 hours' prior written notice; and
 - (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicant of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

13. Until and including February 17, 2024, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants, or any of them, or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**"), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:

- (a) empower the Applicants to carry on any business that the Applicants are not lawfully entitled to carry on;
 - (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;
 - (c) prevent the filing of any registration to preserve or perfect a security interest;
 - (d) prevent the registration of a claim for lien; or
 - (e) exempt the Applicants from compliance with statutory or regulatory provisions relating to health, safety or the environment.
15. Nothing in this Order shall prevent any party from taking an action against the Applicants where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

NO INTERFERENCE WITH RIGHTS

16. During the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. During the Stay Period, all persons having:
- (a) statutory or regulatory mandates for the supply of goods and/or services; or
 - (b) oral or written agreements or arrangements with the Applicants, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Applicants
- are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Applicants or exercising any other remedy provided under such

agreements or arrangements. The Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with the payment practices of the Applicants, or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any person, other than the Interim Lender where applicable, be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 15 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date of this Order and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. The Applicants shall indemnify its directors and officers against obligations and liabilities that they may incur as directors and or officers of the Applicants after the commencement of the within proceedings except to the extent that, with respect to any officer or director, the obligation was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. The directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the “**Directors' Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$400,000.00, as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 37 and 39 herein.
22. Notwithstanding any language in any applicable insurance policy to the contrary:
 - (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and
 - (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

APPOINTMENT OF MONITOR

23. FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business, and financial affairs and the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.
24. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
 - (a) monitor the Applicants' receipts and disbursements, Business and dealings with the Property;
 - (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately

report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Applicants;

- (c) assist the Applicants, to the extent required by the Applicants, in its dissemination to the Interim Lender and its counsel on a weekly basis of financial and other information as agreed to between the Applicants and the Interim Lender which may be used in these proceedings, including reporting on a basis as reasonably required by the Interim Lender;
 - (d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the Interim Lender, which information shall be reviewed with the Monitor and delivered to the Interim Lender and its counsel on a periodic basis, but not less than weekly, or as otherwise agreed to by the Interim Lender;
 - (e) advise the Applicants in their development of the Plan and any amendments to the Plan;
 - (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
 - (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form and other financial documents of the Applicants to the extent that is necessary to adequately assess the Property, Business, and financial affairs of the Applicants or to perform its duties arising under this Order;
 - (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
 - (i) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Applicants and any other Person; and
 - (j) perform such other duties as are required by this Order or by this Court from time to time.
25. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain

possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation or regulation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order be deemed to be in possession of any of the Property within the meaning of any federal or provincial environmental legislation.

26. The Monitor shall provide any creditor of the Applicants and the Interim Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.
27. In addition to the rights and protections afforded the Monitor under the CCAA or as an Officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
28. The Monitor, counsel to the Monitor, and counsel to the Applicants shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings), in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a bi-weekly basis.
29. The Monitor and its legal counsel shall pass their accounts from time to time.

30. The Monitor, counsel to the Monitor, if any, and the Applicants' counsel, as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$500,000.00, as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 37 and 39 hereof.

INTERIM FINANCING

31. The Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from The Toronto-Dominion Bank (the "**Interim Lender**") in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed the principal sum of \$600,000.00 plus interest, costs and expenses as set out in the Interim Financing Term Sheet, dated January 31, 2024 (the "**Interim Financing Term Sheet**"), unless permitted by further order of this Court.
32. Such credit facility shall be on the terms and subject to the conditions set forth in the Interim Financing Term Sheet, filed.
33. The Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs, and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the Interim Financing Term Sheet or as may be reasonably required by the Interim Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities, and obligations to the Interim Lender under and pursuant to the Interim Financing Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.
34. The Interim Lender shall be entitled to the benefits of and is hereby granted a charge (the "**Interim Lender's Charge**") on the Property to secure all obligations under the Interim Financing Term Sheet and the Definitive Documents incurred on or after the date of this Order which charge shall not exceed the aggregate amount advanced on or after the date

of this Order under the Interim Financing Term Sheet and/or the Definitive Documents. The Interim Lender's Charge shall not secure any obligation existing before this the date this Order is made. The Interim Lender's Charge shall have the priority set out in paragraphs 37 and 39 hereof.

35. Notwithstanding any other provision of this Order:
- (a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge or any of the Definitive Documents;
 - (b) upon the occurrence of an event of default under the Interim Financing Term Sheet and/or the Definitive Documents or the Interim Lender's Charge, the Interim Lender, upon 4 business days' notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the Interim Financing Term Sheet, Definitive Documents, and the Interim Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the Interim Lender to the Applicants against the obligations of the Applicants to the Interim Lender under the Interim Financing Term Sheet, the Definitive Documents or the Interim Lender's Charge, to make demand, accelerate payment, and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and
 - (c) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.
36. The Interim Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the Interim Financing Term Sheet and/or the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES

37. The priorities of the Directors' Charge, the Administration Charge and the Interim Lender's Charge, as among them, shall be as follows:
- First – Administration Charge (to the maximum amount of \$500,000.00);
- Second – Interim Lender's Charge (to the maximum amount of \$600,000.00, plus accrued and unpaid interest, costs and expenses); and
- Third – Directors' Charge (to the maximum amount of \$400,000.00).
38. The filing, registration or perfection of the Directors' Charge, the Administration Charge or the Interim Lender's Charge (collectively, the "**Charges**") shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.
39. Each of the Directors' Charge, the Administration Charge, and the Interim Lender's Charge (all as constituted and defined herein) shall constitute a charge on the Property and subject always to section 34(11) of the CCAA such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.
40. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the Administration Charge or the Interim Lender's Charge, unless the Applicants also obtains the prior written consent of the Monitor, the Interim Lender, and the beneficiaries of the Directors' Charge and the Administration Charge, or further order of this Court.
41. The Directors' Charge, the Administration Charge, the Interim Financing Term Sheet, the Definitive Documents, and the Interim Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the Interim Lender thereunder shall not otherwise be limited or impaired in any way by:
- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;

- (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;
- (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
- (d) the provisions of any federal or provincial statutes; or
- (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) that binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:
 - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, including the Interim Financing Term Sheet or the Definitive Documents, shall create or be deemed to constitute a new breach by the Applicants of any Agreement to which it is a party;
 - (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges, the Applicants entering into the Interim Financing Term Sheet, or the execution, delivery or performance of the Definitive Documents; and
 - (iii) the payments made by the Applicants pursuant to this Order, including the Interim Financing Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

ALLOCATION

42. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Administration Charge, the Interim Lender's Charge, and the Directors' Charge amongst the various assets comprising the Property.

SALES AND INVESTMENT SOLICITATION PROCESS

43. The sale and investment solicitation process (the “SISP”) attached as **Schedule “A”** hereto and the form of the Stalking Horse Bid between the Vendors (as defined therein) and Lift Auto Group Operating Corporation dated January *******, 2024 and attached to the Daerden Affidavit at Exhibit “72” (redacted) / the Confidential Affidavit at Exhibit “22” (unredacted) are reasonable and are hereby ratified and approved. The Applicants and the Monitor are empowered and authorized to: (a) implement the SISP, and do all things reasonably necessary to conduct and give full effect to the sale process, and carry out the obligations thereunder including but not limited to, taking any additional steps or executing additional documents as may be necessary or desirable in order to carry out and complete the SISP subject to prior to approval of this Court being obtained before the completion of any transaction(s) resulting from the SISP; and (b) execute the Stalking Horse Bid.

44. The Break Fee (as defined in the APA) is hereby approved and the Vendors are authorized and directed to pay the Break Fee as required and in the manner prescribed by the APA.

SEALING

45. Exhibits “1” and “2” to the Confidential Affidavit be filed under seal, kept confidential and not to form part of the public record, and shall remain stored with this Court separate and apart from all other contents of the Court File, in a sealed envelope attached to a notice which sets out the title of these proceedings and a statement that the contents are subject to a sealing order, and/or shall remain stored electronically with this Court on an encrypted basis limiting access to only the Registrar of this Court and the presiding Judge, and shall only be made available or form part of the public record after these restructuring proceedings have been completed or further Order of this Court.

46. Exhibits “3” to “22” to the Confidential Affidavit be filed under seal, kept confidential and not to form part of the public record, and shall remain stored with this Court separate and apart from all other contents of the Court File, in a sealed envelope attached to a notice which sets out the title of these proceedings and a statement that the contents are subject to a sealing order, and/or shall remain stored electronically with this Court on an encrypted

basis limiting access to only the Registrar of this Court and the presiding Judge, and shall only be made available or form part of the public record pending further Order of this Court.

SERVICE AND NOTICE

47. The Monitor shall (i) without delay, publish in the *National Post* a notice containing the information prescribed under the CCAA; (ii) within five (5) days after the date of this Order (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1,000 and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.
48. The Applicants and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile or electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing. Subject to Rules 11.25 and 11.26 this Order shall constitute an order for substituted service pursuant to Rule 11.28 of the Rules of Court. This Court further orders that a Case Website shall be established in with the following URL <http://cfcanada.fticonsulting.com/collisionkings>.

GENERAL

49. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
50. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.

51. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager or a trustee in bankruptcy of the Applicants, the Business or the Property.
52. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitors, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitors and their respective agents in carrying out the terms of this Order.
53. Each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Monitor is authorized and empowered to act as a representative in respect of the within proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
54. Any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
55. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.
56. The approval of the Interim Financing Term Sheet (as defined and described in the Daerden Affidavit) is on a without prejudice basis to the right of any party to make submissions at the February 14, 2024 comeback application (the "**Comeback Application**") before Justice Lema in respect of whether the Interim Financing Term Sheet (and its current terms) as presented to the Court in the initial application will continue to govern the terms of any additional Interim Financing, including the advance of any additional funds after the expiry of the initial Stay Period. For greater certainty, any

amounts advanced (the “**Initial Advances**”) by the Interim Lender under the Interim Financing Term Sheet prior to the Comeback Application (up to the principal amount of \$600,000.00, plus interest, costs and expenses) will be properly and validly advanced in accordance with the terms of the Interim Financing Term Sheet and are not subject to being challenged or revised in respect of any such Initial Advances.

57. The relief sought in paragraphs 2(a) and 2(b) of the Originating Application with respect to the extension of the Stay Period, increasing the Interim Lender’s Charge, the approval of the retention and incentive plan, the sale approval and vesting order in respect of the Stalking Horse Bid, and the critical supplier designation is adjourned to the Comeback Date.

Justice of the Court of King’s Bench of Alberta