

District of Ontario
Division No. 12 - Ottawa
Court File No. BK-33-03025642
Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF OEM AUTOMOTIVE
SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC.
AND OEM AUTOMOTIVE HOLDINGS INC.

MOTION RECORD
(RETURNABLE APRIL 3, 2024)

March 27, 2024

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ONTARIO
SUPERIOR COURT OF JUSTICE
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TAB 1

District of Ontario
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**ONTARIO
SUPERIOR COURT OF JUSTICE
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TO MAKE A PROPOSAL OF OEM AUTOMOTIVE
SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC.
AND OEM AUTOMOTIVE HOLDINGS INC.

**NOTICE OF MOTION
(Returnable April 3, 2024)**

BDO Canada Limited, in its capacity as the proposal trustee (the “**Proposal Trustee**”) of OEM Automotive Solutions Inc. (“**Solutions**”), OEM Automotive Cornwall Inc. (“**Cornwall**”) and OEM Automotive Holdings Inc. (“**Holdings**”, and collectively with Solutions and Cornwall, the “**Companies**”), that have each filed a Notice of Intention to Make a Proposal (an “**NOI**”) under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), will make a motion to a judge presiding over the Ontario Superior Court of Justice (in Bankruptcy & Insolvency) (the “**Court**”) on Wednesday, April 3, 2024 at 10:00 a.m., or as soon after that time as the motion can be heard, which motion shall be heard virtually by judicial videoconference to be set by the Court office and may be attended online by accessing the videoconference link to be posted on the Court’s *Caselines* portal for this matter. A direct link will be circulated by email to those members of the Service List with known email addresses prior to the hearing.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. an order (the “**Ancillary Order**”):
 - (a) abridging the time for service and filing of the notice of motion and the motion record or, in the alternative, dispensing with the same;
 - (b) extending the time for the Companies to file proposals under section 50.4(9) of the BIA to and including May 29, 2024;
 - (c) approving the third report of the Proposal Trustee dated March 27, 2024 (the “**Third Report**”) and approving the actions and activities of the Proposal Trustee described in the Third Report;
 - (d) approving the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Third Report and the fee affidavits appended to the Third Report (the “**Fee Affidavits**”); and
 - (e) approving the sealing of the confidential documents appended to the Proposal Trustee's Confidential Supplementary Report dated March 27, 2024 (the “**Confidential Supplementary Report**”) until completion of the Transaction (as defined below), or further order of this Court;
2. an order (the “**Approval and Vesting Order**”):
 - (a) approving the sale transaction described in the Agreement of Purchase and Sale dated March 27, 2024 (the “**APS**”) between Mark Motors of Ottawa (1987) Limited

(“**Mark Motors**”), Mrak Holdings Inc. (“**Mrak Holdings**”) and the Proposal Trustee, and vesting in Mark Motors all right, title and interest of the Companies in the “Purchased Assets” described in the APS, excluding the real property located at 628 Pitt Street, Cornwall, Ontario (the “**Body Shop Property**”) and 632 Pitt Street, Cornwall, Ontario (the “**Dealership Property**”, together with the Body Shop Property, the “**Real Property**”), and vesting in Mrak Holdings all right, title and interest of the Companies in the Real Property, free and clear of encumbrances and other charges and security interests as described in the APS (the “**Transaction**”); and

- (b) authorizing the Proposal Trustee to complete the Transaction, and thereafter to file the Proposal Trustee's Certificate with the Court, certifying, among other things, the completion of the Transaction; and

3. such further and other relief as counsel may advise and this Court may permit.

THE GROUNDS FOR THE MOTION ARE:

Background

- (a) The Companies are each incorporated and existing under the federal laws of Canada;
- (b) the Companies are related parties and, together, operate as a Volkswagen dealership from the Real Property in Cornwall, Ontario. Generally, Solutions operates the Volkswagen dealership, Cornwall owns the Body Shop Property and Holdings owns the Dealership Property;
- (c) on December 22, 2023, the Companies each filed an NOI under the BIA;

Initial NOI Relief Order

- (d) on January 17, 2024, the Companies applied for, and the Court issued, an order (the “**Initial NOI Relief Order**”) granting the following material relief:
- (i) the administrative consolidation of the three NOI proceedings, so that they will be heard together or jointly;
 - (ii) the first extension of the time to file proposals pursuant to s 50.4(9) of the BIA, up to and including March 5, 2024;
 - (iii) the approval of the First Report of the Proposal Trustee dated January 11, 2024 (the “**First Report**”), and the actions, activities and conduct of the Proposal Trustee described in the First Report;
 - (iv) the approval of a Sale and Investment Solicitation Process (the “**SISP**”), to be administered by the Proposal Trustee, with the assistance of Dealer Solutions North America, Inc. (the “**Sales Agent**”) in the implementation of the SISP;
 - (v) the enhancement of certain powers of the Proposal Trustee to facilitate the SISP but also to mitigate a dispute among the shareholders of the Companies;
 - (vi) approval of interim financing, funded by the Companies’ senior secured lender, Bank of Montreal (“**BMO**”), along with an interim financing charge to secure the Companies’ obligations under the interim financing facility;

- (vii) an administrative charge to secure payment of the Proposal Trustee and key insolvency professionals; and
- (viii) a directors' charge to secure the Companies obligation to indemnify the directors and officers for post-NOI liabilities that may arise.

Second Extension

- (e) on February 27, 2024, the Companies applied for, and the Court issued, an order (the “**Second Extension Order**”) granting the following material relief: (i) the second extension of the time to file proposals pursuant to s 50.4(9) of the BIA, up to and including April 14, 2024; (ii) approval of the Second Report of the Proposal Trustee dated February 21, 2024 (the “**Second Report**”), and the actions, activities and conduct of the Proposal Trustee described in the Second Report; and (iii) approval of the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Second Report;

Companies' Efforts since the Second Extension Order

- (f) since the Second Extension Order was granted, the Companies have worked diligently and in good faith with the Proposal Trustee to stabilize the business operations and facilitate the SISP process. Such efforts include but are not limited to working with the Proposal Trustee to, among other things: (i) to facilitate the Proposal Trustee's access and financial oversight to the business as contemplated by the Initial NOI Relief Order; (ii) stabilize the financial operations of the

business, including address critical supplier issues; (iii) to communicate with creditors and other stakeholders, such as Volkswagen Canada, employees, suppliers and customers; and, (iv) facilitate the Proposal Trustee's operation of the SISP by helping to identify potentially interested parties, providing necessary financial and business documentation for due diligence and providing access to the Companies' facilities.

Implementation of the SISP

- (g) critically, the SISP has been administered by the Proposal Trustee, with the assistance of the Sales Agent and the Companies as required under the Initial NOI Relief Order; and the Proposal Trustee has **met** and is **on track** to meet the Court-approved milestones set out in the SISP, including:
 - (i) February 29, 2024 – deadline for submission of initial expressions of interest [**met/satisfied**, as described in the Third Report];
 - (ii) March 15, 2024 – deadline for submission of binding letters of intent [**met/satisfied**, as described in the Third Report];
 - (iii) March 19, 2024 – offer selection date [**met/satisfied**, selecting Mark Motors, as described in the Third Report];
 - (iv) April 3, 2024 – date by which to finalize a definitive agreement [**currently on track** with Mark Motors and Mrak Holdings (collectively, the “Purchaser”) pursuant to the APS, as described in the Third Report]; and

- (v) April 30, 2024 – latest date by which to obtain Court approval and complete the approved transaction [**currently on track** pursuant to this motion, as described in the Third Report];
- (h) As noted, a detailed discussion of the progress on the SISP including the selection of Mark Motors shall be included in the Third Report;

The Third Report

- (i) the Third Report includes a detailed discussion of these proceedings, the SISP and the activities of the Proposal Trustee and its counsel since the Second Report;
- (j) the Third Report shall also include affidavits of each of the Proposal Trustee and its counsel in respect of their fees and disbursements since the Second Extension Order, the taxation and approval of which is sought pursuant to the terms of the Initial NOI Relief Order;
- (k) the Confidential Supplementary Report includes appended confidential documents that are often sealed temporarily in these kind of transactions, and the Proposal Trustee will similarly be requesting that the Court temporarily seal the confidential documents appended to the Confidential Supplementary Report;

RELIEF REQUESTED

NOI Extension

- (l) the stay of proceedings will expire on April 14, 2024;

- (m) the Companies seek, with the support of the Proposal Trustee, an extension of time to and including May 29, 2024 so that the Companies may file their proposals, in order to allow the Proposal Trustee to complete the SISP and Transaction, and to allow the Companies to explore their options for making viable proposals to their creditors;
- (n) the cash flow forecasts of the Companies provide evidence of sufficient funding to continue operating through to the end or near-end of the requested extension period;
- (o) if the requested extension is granted, the SISP and Transaction will be completed or be on track to being completed and again, the Companies can explore options for making viable proposals to their creditors;
- (p) without the extension, the SISP and Transaction cannot be completed in these NOI proceedings and the Companies will not be in a position to make viable proposals to their creditors before April 14, 2024 and will likely become bankrupt, to the detriment of their creditors and stakeholders;
- (q) none of the Companies' creditors will be materially prejudiced if the requested extension is granted; in fact, they will benefit from the extension, in that the potential closing of the Transaction will bring significant funds into the estates for subsequent distributions to BMO and other creditors;
- (r) the Companies have acted, and are acting, in good faith and with due diligence;

Approval of the Third Report, Fees and temporary Sealing of the Confidential Supplementary Report

- (s) the Third Report and the fee affidavits appended thereto accurately reflect the activities, fees and disbursements of the Proposal Trustee and its counsel;
- (t) as required by the Initial Relief NOI Order, the BIA and prevailing insolvency practice, the Proposal Trustee must seek approval of its fees and disbursements and those of its counsel;
- (u) the Proposal Trustee is of the view that it and its counsel's fees and disbursements were incurred at their standard rates and charges, and are fair, reasonable and justified in the circumstances;
- (v) the requested sealing of the confidential documents appended to the Confidential Supplementary Report is for a temporary period only, until the Transaction closes or further Order of this Court. To release these documents or make them public now would be prejudicial to the stakeholders if the Transaction did not close and the Proposal Trustee had to resume or commence a new sales process. In those circumstances, the integrity of the new sales process would be undermined if the bidders or offerors knew beforehand the confidential information contained in the Confidential Supplementary Report;

Approval and Vesting Order

- (w) under the Initial NOI Relief Order, the Proposal Trustee is empowered and authorized (but not obligated) to, among other things, enter into any agreements in order to facilitate the realization and/or sale of all of the Companies' current and

future assets, undertakings and properties of every nature and kind whatsoever and wherever situate, including all proceeds thereof (the “**Property**”);

- (x) pursuant to the SISP and as described in the Third Report, the Property (including the Real Property) was robustly marketed to a wide audience, generated much interest in the local market and received significant bids or offers. Mark Motors made the highest or best bid or one of them, and this has led to the APS between the Proposal Trustee and the Purchaser;
- (y) among other things, the APS provides for an "as is, where is" sale and a relatively quick closing date, scheduled for April 30, 2024. The sale is also subject to court approval and a vesting order, which is being sought in this motion;

OTHER GROUNDS FOR THE RELIEF

- (z) the Companies support the relief being sought by the Proposal Trustee;
- (aa) the senior secured lender and interim lender, BMO, supports the relief sought herein;
- (bb) Volkswagen Canada has been kept updated as to the process contemplated hereby and has not signalled that it opposes the relief being sought;
- (cc) the other grounds set out in the Third Report;
- (dd) the Initial NOI Relief Order including the SISP;
- (ee) the inherent and equitable jurisdiction of this Court;
- (ff) sections 50.4(9) and 65.13 of the BIA;

- (gg) Sections 100 and 137(2) of the *Courts of Justice Act*, R.S.O. 1990, c. C. 43, as amended;
 - (hh) rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
 - (ii) such further and other grounds as counsel may advise and this Court may permit.
4. **THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:
- (a) the Third Report and the appendices thereto; and
 - (b) such further and other material as counsel may advise and this Court may permit.

Date: March 27, 2024

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TO: ATTACHED SERVICE LIST

THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.**

Court File No. BK-33-03025642
Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)
Proceedings commenced at Ottawa

NOTICE OF MOTION

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in its capacity as the Proposal Trustee

TAB 2

District of Ontario
Division No. 12 - Ottawa
Court File No. BK-33-03025642
Estate No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

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AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.

THIRD REPORT OF THE PROPOSAL TRUSTEE
March 27, 2024

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Appendix A	- First Report of the Proposal Trustee dated January 11, 2024 (w/o appendices)
Appendix B	- Initial Court Order dated January 17, 2024
Appendix C	- Endorsement of Justice Kaufman dated January 17, 2024
Appendix D	- Second Report of the Proposal Trustee dated February 21, 2024 (w/o appendices)
Appendix E	- Second Court Order dated February 27, 2024
Appendix F	- Endorsement of Justice Bell dated February 27, 2024
Appendix G	- Cash Flow Forecasts for the period December 22, 2023 to April 14, 2024
Appendix H	- Revised Cash Flow Forecasts for the period March 25, 2024, to May 26, 2024
Appendix I	- “Redacted” Agreement of Purchase and Sale dated March 27, 2024
Appendix J	- Cash Flow Variance Analysis for the thirteen-week period ending March 24, 2024
Appendix K	- Fee Affidavit of Clark Lonergan, sworn March 27, 2024
Appendix L	- Fee Affidavit of Scott Venton, sworn March 25, 2024

INTRODUCTION

1. On December 22, 2023 (the “**Filing Date**”), OEM Automotive Solutions Inc. (“**Solutions**”), OEM Automotive Cornwall Inc. (“**Cornwall**”), and OEM Automotive Holdings Inc. (“**Holdings**”, collectively with Solutions and Cornwall, the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI(s)**”) pursuant to section 50.4 of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited (“**BDO**”), a Licensed Insolvency Trustee, was named proposal trustee (the “**Proposal Trustee**”) in each of the Companies’ proposal proceedings (collectively, the “**Proposal Proceedings**”).
2. On January 11, 2024, the Proposal Trustee prepared a report (the “**First Report**”) to the Ontario Superior Court of Justice (the “**Court**”) in advance of the Companies’ motion (the “**Motion**”) to Justice Kaufman on January 17, 2024. A copy of the First Report without appendices is attached hereto as **Appendix “A”**.
3. On January 17, 2024, the Court issued an order (the “**Initial Order**”) to grant the following material relief:
 - (a) the administrative consolidation of the three NOI proceedings;
 - (b) extension of the time to file proposals pursuant to s 50.4(9) of the BIA, up to and including March 5, 2024;
 - (c) approval of the First Report of the Proposal Trustee dated January 11, 2024, and the actions, activities and conduct of the Proposal Trustee, as described in the First Report;
 - (d) approval of a Sale and Investment Solicitation Process (the “**SISP**”), to be administered by the Proposal Trustee;
 - (e) the enhancement of certain powers of the Proposal Trustee to facilitate the SISP and also to mitigate a dispute among shareholders;
 - (f) approval of interim financing, funded by the Companies’ senior secured lender, Bank of Montreal (“**BMO**”), along with an interim financing charge to secure the Companies’ obligations under the interim financing facility (“**Interim Financing Loan**”);
 - (g) approval of the Proposal Trustee’s engagement of Dealer Solutions North America Inc. (the “**Sales Agent**”) to assist with the implementation of the SISP;
 - (h) an administrative charge to secure payment of the Proposal Trustee, Sales Agent, and other key insolvency professionals; and

- (i) a directors' charge to secure the Companies obligation to indemnify the directors and officers for post-filing liabilities that may arise.

A copy of the Initial Order and its endorsement is attached hereto as **Appendix "B"** and **Appendix "C"** respectively.

4. On February 21, 2024, the Proposal Trustee prepared a report (the **"Second Report"**) to the Court in advance of the Companies' motion (the **"Motion"**) to Justice Bell on February 27, 2024. A copy of the Second Report without appendices is attached hereto as **Appendix "D"**.
5. On February 27, 2024, the Court issued an order (the **"Second Order"**) to grant the following material relief:
 - (a) extension of the time to file proposals pursuant to s 50.4(9) of the BIA, up to and including April 14, 2024;
 - (b) approval of the Second Report of the Proposal Trustee dated February 21, 2024, and the actions, activities and conduct of the Proposal Trustee, as described in the Second Report; and
 - (c) approval of the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Second Report and the fee affidavits appended to the Second Report.

A copy of the Second Order and its endorsement is attached hereto as **Appendix "E"** and **Appendix "F"** respectively.

6. Given the Proposal Trustee's enhanced powers granted in the Initial Order with regards to the SISP, and the power to "exercise any rights of the Companies", this motion and the relief being sought is brought forward by the Proposal Trustee and its counsel. As such, this motion will not be relying on an affidavit of the Companies (Ms. Caroline Bourret) in support of the relief sought in the proposed orders. Notwithstanding, the Proposal Trustee understands that the Companies support the relief herein and that Companies' counsel will be attending this motion.

PURPOSE

7. The purpose of this third report of the Proposal Trustee (the **"Third Report"**) is to:
 - (a) provide this Court with certain information pertaining to the Proposal Proceedings, including:
 - (i) an update on the Companies' operations since the date of the Second Report;

- (ii) an update on the Proposal Trustee's activities since the Second Report;
 - (iii) provide critical information and analysis related to the proposed Transaction (defined herein) including the Sale Agreement (defined herein) entered into between the Proposal Trustee, as vendor, and Mark Motors of Ottawa (1987) Limited ("**Mark Motors**") and **Mrak Holdings Inc., as purchasers**, and vesting the business assets in Mark Motors (the "**Dealership Purchaser**") and the real property in Mrak Holdings Inc. (the "**Real Estate Purchaser**", and together with the Dealership Purchaser, the "**Purchasers**") and the steps taken to get to this transaction, including:
 - I. the results of the SISP undertaken by the Proposal Trustee and Sales Agent to affect a sale of the Companies' assets;
 - II. provide information regarding the Transaction, including the agreement of purchase and sale between the Proposal Trustee, as vendor and the Purchasers dated March 27, 2024 (the "**Sale Agreement**"); and
 - III. the Proposal Trustee's recommendations with respect to the Transaction.
 - (iv) the Companies' actual cash flow results for the 13-weeks ended March 24, 2024, versus the same budgeted period as outlined in the Companies' cash flow forecasts for the period December 22, 2023, to April 14, 2024 (the "**Cash Flow Period**"), separately for each of the Companies (the "**Cash Flow Forecasts**") projections and the Proposal Trustee's comments regarding the variances. Copies of the Cash Flow Forecasts are attached hereto as **Appendix "G"**;
 - (v) an overview of the Companies' 9-week cash flow forecasts, for the period March 25, 2024, to May 26, 2024 (the "**Revised Cash Flow Period**"), separately for each of the Companies (the "**Revised Cash Flow Forecasts**") projections and the Proposal Trustee's comments regarding the reasonableness thereof. Copies of the Revised Cash Flow Forecasts are attached hereto as **Appendix "H"**; and
 - (vi) fees and disbursements of the Proposal Trustee and its counsel.
- (b) The Proposal Trustee is also requesting the following relief from the Court:

- (i) approving this Third Report and the Confidential Supplementary Report (defined herein), including the actions and activities of the Proposal Trustee set out herein;
 - (ii) approving the Sale Agreement, and authorizing and directing the Proposal Trustee to execute such documents and take such additional steps as are necessary to complete the Transaction;
 - (iii) upon completion of the Transaction (as evidenced by the Proposal Trustee filing a certificate certifying the same), vesting the Purchased Assets (as defined in the Sale Agreement), free and clear of all liens, charges, security interests and other encumbrances (other than such permitted encumbrances as may be described in the order) in the respective Purchasers; and
 - (iv) sealing the Confidential Supplementary Report (herein defined).
8. The Proposal Trustee has also prepared and will file with the Court, subject to a request for Sealing Order, a confidential supplementary report dated March 27, 2024 (the “**Confidential Supplementary Report**”), which should be read by the Court in conjunction with this Third Report and which will assist the Court in considering the relief being sought by the Proposal Trustee herein.
9. All materials filed with the Court in these Proposal Proceedings are accessible on the Proposal Trustee’s websites at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/oem-automotive-solutions-inc> (the “**Proposal Trustee’s Websites**”).

TERMS OF REFERENCE

10. In preparing this Third Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Companies, discussions with management of the Companies (“**Management**”), and information from other third-party sources (collectively, the “**Information**”). Except as described in the First Report and Third Report in respect of the Cash Flow Forecasts and Revised Cash Flow Forecasts, respectively:
- (a) the Proposal Trustee has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially

comply with Generally Accepted Assurance Standards (“GAAS”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

(b) some of the Information referred to in this Third Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

11. Future oriented financial information referred to in this Third Report was prepared based on Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variation could be significant.
12. Unless otherwise indicated, the Proposal Trustee’s understanding of factual matters expressed in this Third Report concerning the Companies and their business is based on the Information, and not independent factual determinations made by the Proposal Trustee.
13. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

THE COMPANIES’ OPERATIONS

14. Since the Second Report, the Management of the Companies have focused on stabilizing the operations. Management, with the assistance of the Proposal Trustee, has engaged in discussions with various stakeholders, suppliers, customers, and employees to minimize disruption to the operations and reduce conflicts. As of the date of this Third Report, the Companies have maintained their business operations without significant disruption or issues.

PROPOSAL TRUSTEE’S ACTIVITIES

15. Since the date of the Second Report, the Proposal Trustee has been engaged in the following activities:
 - (a) attended the Companies’ second motion, which occurred on February 27, 2024;
 - (b) uploaded all court materials and certain other relevant documents, including the SISP update, to the Proposal Trustee’s Website;
 - (c) engaged with its legal counsel, Fogler, Rubinoff LLP (“Fogler”), regarding matters related to these Proposal Proceedings and SISP;

- (d) monitored the Companies' receipts and disbursements on a weekly basis;
- (e) participated in various calls with the Companies' external accounting/finance consultants regarding the status of the Companies' books and records;
- (f) assisted the Companies in various human resource matters and addressed other employee questions regarding the Proposal Proceedings;
- (g) continued to monitor the Companies' vehicle sales and repayments to ensure vehicle proceeds were remitted to BMO in accordance with the terms of the Interim Financing Loan;
- (h) multiple follow-ups with Management regarding an employee vehicle purchase;
- (i) assistance to the Companies with stakeholder communications, including responding to calls, e-mails, and letters received from creditors and other parties in an effort to maintain supplier relationships and minimize service disruptions;
- (j) participated in and facilitated various discussions with Volkswagen Canada ("VW") and its legal counsel;
- (k) corresponded with shareholders and/or their respective legal counsel;
- (l) reviewed the Companies' actual cash receipts and disbursements and variances to budget for the same time period as outlined in the Cash Flow Forecasts;
- (m) assisted the Companies in the preparation of the Revised Cash Flow Projections;
- (n) assessed the reasonableness of the Revised Cash Flow Projections;
- (o) various correspondence with BMO regarding the bi-weekly reporting as outlined in the Interim Financing Loan term sheet;
- (p) assisted the Companies with interim funding requests;
- (q) review of the shareholder's security position and discussion with respective counsel regarding the same;
- (r) assisted in the execution of the SISP, including:
 - (i) supervised and assisted with activities related to the SISP;
 - (ii) updated the virtual data room ("VDR") with financial and operational information to aid potential purchasers in their due diligence process;
 - (iii) reviewed the expression of interest ("EOI(s)") received and provided a summary comparison of the same;

- (iv) worked with Fogler to draft the agreement of purchase and sale;
 - (v) drafted letter of intent (“**LOI(s)**”) bid sheet to help potential purchasers submit LOI;
 - (vi) various correspondence with the Sales Agent to address any due diligence questions and SISP inquiries potential purchasers had;
 - (vii) reviewed the LOIs received and provided a summary comparison of the same;
 - (viii) reviewed the potential purchaser’s mark up of the agreement of purchase and sale received with the respective LOI submissions;
 - (ix) various discussions with the Purchasers, Sales Agent and respective counsels regarding the Sale Agreement;
 - (x) initiated a new environmental assessment; and
 - (xi) provided updates to BMO regarding the SISP.
- (s) prepared Third Report and Confidential Supplementary Report; and
- (t) attended to other matters pertaining to the administration of these Proposal Proceedings.

16. The Proposal Trustee is requesting approval of this Third Report and the Confidential Supplementary Report and the activities of the Proposal Trustee described herein.

SALES PROCESS UPDATE

17. Immediately following the issuance of the Initial Order on January 17, 2024, which included the Court’s approval of the SISP, the Sales Agent, among other things, has:

- (a) canvased the market and prepared a list of potentially interested parties, including:
 - (i) posted the opportunity for a sale of, or investment in, all or part of the Companies’ property (the “**Opportunity**”) on its own website and Linked-In account;
 - (ii) emailed the Opportunity to over 4000+ dealers from its own database; and
 - (iii) included parties that had approached the Companies, Proposal Trustee, VW or the Sales Agent indicating an interest in the Opportunity.

- (b) prepared a process summary (the “**Teaser Letter**”) describing the Opportunity;
 - (c) prepared a confidential information memorandum (“**CIM**”) detailing the financial and operational information of the Companies;
 - (d) worked with the Proposal Trustee and Management to populate the VDR with financial and operational documents that may be required for the due diligence process; and
 - (e) sent the Teaser Letter and NDA to interested parties.
18. 63 parties were identified through the above marketing process (the “**Known Potential Bidders**”) as being possibly interested in the Companies’ business. Out of these Known Potential Bidders, 37 parties were actually interested, of which 32 parties signed NDAs and showed an active interest in participating in the SISP.
 19. Seven (7) of the Known Potential Bidders (the “**EOI Bidders**”) provided non-binding expression of interests on or before the February 29, 2024, the EOI bid date (“**EOI Bid Date**”). These EOIs were then assessed by the Proposal Trustee and Sales Agent, in consultation with BMO and shortly thereafter, on March 5, 2024, the EOI Bidders were notified if they had been selected to participate in the next phase of the SISP. Each of the EOI Bidders names and their respective dealer principals outlined in the EOIs were provided to Volkswagen Canada to get their input on the EOI Bidders ability to receive VW approval with regards to the new dealer agreement (the “**VW Approval**”).
 20. Four (4) of the EOI Bidders were selected to proceed to the next round of the SISP which required binding letters of intent to be received on or before March 15, 2024 (the “**LOI Bid Date**”). Additionally, each of the EOI Bidders were connected with VW to begin the VW Approval process so that the closing deadlines outlined in the SISP could be met.
 21. Three (3) of the EOI Bidders provided binding letters of interests (the “**LOI Bidders**”) on or before the LOI Bid Date. The LOI offers received and their associated valuations were significant, exceeding both the expectations of the Proposal Trustee and its Sales Agent. Actual sale proceeds will vary based on actual vehicle and parts inventory on-hand at close, and contained certain conditions primarily related to: environmental concerns related to the Companies’ real property assets, the requirement for the Companies’ assets to be free and clear of all encumbrances, the VW Approval, and other regulatory requirements (OMVIC, etc.). These LOIs were then assessed by the Proposal Trustee and Sales Agent, in consultation with BMO and shortly thereafter, on March 19, 2024, the LOI Bidders were notified if they had

the Successful Bid and as such had been chosen to be the Successful Party (both terms defined in the SISP). VW was also consulted with regards to the LOI Bidders.

22. The Proposal Trustee considered the LOIs that had been submitted, taking into consideration several factors, including: (a) the purchase price (b) evidence of the purchaser's ability to finance the Transaction; (c) conditions to closing the Transaction; (d) the provision of a substantial deposit; (e) the appraisals; and (f) VW support of the Successful Party.
23. After consideration of the LOIs and in consultation with the Sales Agent, BMO and VW, Mark Motors was identified as the Successful Party. As required by the SISP, the Successful Party provided 10% of the estimated purchase price as a deposit to the Proposal Trustee on March 22, 2024 (the "**Deposit**").
24. To assist with the environmental concerns and finalizing the Sale Agreement, on March 12, 2024, the Proposal Trustee engaged Pinchin Ltd. to prepare a remediation option evaluation and cost estimate letter (the "**Pinchin Cost Estimate Letter**") to assist in quantifying a potential purchase price adjustment based on the results of this aforementioned analysis. Pinchin had previously provided Phase I and Phase II environmental reports to the Companies in 2018 (the "**Existing Phase I and Phase II Environmental Reports**"), both of which were included in the VDR (including other environmental reports related to the Companies' real estate assets).

THE PROPOSED TRANSACTION

25. The Sale Agreement contains information that could prejudice the Companies in a future sale process in the event that the Transaction does not close. As such, the Sale Agreement attached hereto as **Appendix "I"** has been redacted. A copy of the un-redacted Sale Agreement will be included in the Confidential Supplementary Report.
26. Capitalized terms used in this section that are not defined shall have the meanings as defined in the Sale Agreement.
27. Pursuant to the Sale Agreement, the respective Purchasers will acquire the respective Purchased Assets as of the Closing Date (anticipated to be April 30, 2024).
28. In particular, the cash purchase price (the "**Purchase Price**") is subject to certain verifications including vehicle inventory, parts inventory, third-party warranty amounts, and a \$200,000 purchase price adjustment to cover the future cost of environmental remediation based on the Existing Phase I and Phase II Environmental Reports and the anticipated Pinchin Cost Estimate Letter. All of the right, title, and interest of the Companies in the Real Property shall vest in the Real Estate Purchaser and the remaining or other business assets of the

Companies, including but not limited to: i) all New Vehicles, Deferred New Vehicles and Demonstrator Vehicles inventory; ii) all Used Vehicles inventory; iii) all Parts & Accessories inventory; iv) Customer Contracts; v) the Equipment; vi) Warranty Rights; and vii) Goodwill (the “**Business Assets**”) shall vest in the Dealership Purchaser (collectively, the Business Assets and the Real Property are the “**Purchased Assets**”). Notwithstanding anything else in the Sale Agreement, the Purchased Assets shall not include the Excluded Assets (including cash, Work-In-Progress, Accounts Receivable, and the Litigation Claim).

29. Other than routine purchase price adjustments for actual vehicle inventory and parts inventory counts at or around the Closing Date, the only material outstanding item remains the environmental remediation cost estimate which will be based upon the Existing Phase I and Phase II Environmental Reports and the anticipated Pinchin Cost Estimate Letter. This letter is expected to be received over the next 3-4 weeks and per the Sale Agreement, a Purchase Price credit of \$200,000 has been provided to the Purchaser to cover future remediation costs based on the Existing Phase I and Phase II Environmental Reports and the anticipated Pinchin Cost Estimate Letter.
30. The Sale Agreement provides for certain conditions precedent to closing in favour of the Purchasers, including a requirement that the Court have granted an order providing for:
 - (a) approval of the Sale Agreement and completion of same by the Proposal Trustee;
 - (b) the vesting of the respective Purchased Assets in the respective Purchasers, free and clear of any encumbrances;
 - (c) such other provisions as reasonably requested by the Purchasers or that would customarily be contained in an approval and vesting order granted by the Court (together with 30 a) and 30 b), the “**Approval and Vesting Order**”);
 - (d) the approval of VW with regards to the new dealer agreement; and
 - (e) Ontario Motor Vehicle Industry Council (“**OMVIC**”) shall have approved the application for registration of the Dealership Purchaser.
31. It is also anticipated that the Dealership Purchaser will offer employment on similar or comparable terms to the majority of the Companies’ employees.

Basis for Proposal Trustee’s Recommendation

32. The Proposal Trustee is satisfied that the SISP was one with integrity and was a commercially reasonable, fair and open process developed for the purpose of identifying the best offer available (including price and other factors), as:

- (a) the direct-contact marketing method of the SISP was sufficient to attract the interest of reasonable buyers and investors;
 - (b) the timeframe over which the Companies and its assets were exposed to the market and the deadlines imposed within the SISP were sufficient to provide interested buyers and investors an opportunity to participate in the process;
 - (c) the affairs of the Companies were adequately released so that buyers and investors could make informed decisions regarding the assets available; and
 - (d) BMO and VW were supportive of the process and were consulted regarding offers submitted as part of the SISP.
33. The SISP was developed and implemented in a manner consistent with Court-supervised sale processes in all material regards.
34. Given the on-going monthly operating losses and the costs associated with administering the Proposal Proceedings, time is of the essence in respect of a value-maximizing sale transaction for the Companies' creditors.
35. If the Transaction closes, the Proposal Trustee expects that the Dealership Purchaser will keep a majority of the Companies' current employees, the business will continue as a going concern and significant funds from the net sale proceeds will be available for distributions to BMO and other creditors. Accordingly, the Transaction is favourable to the balance of Companies' stakeholders (i.e., employees, creditors, suppliers, BMO, and local community that benefit from an on-going business). The Proposal Trustee is also of the opinion that the Transaction is more beneficial to the Companies' creditors and other stakeholders than a sale in a bankruptcy scenario.

CASH FLOW PROJECTIONS

36. The Proposal Trustee has reviewed the actual cash flow from operations for the thirteen-week period ending March 24, 2024, through monitoring the banking activities of the Companies.
37. The Companies' actual cash flow from operations for the thirteen-week period ending March 24, 2024, exceeded the corresponding Cash Flow Forecasts amounts for that same period by approximately \$310,817.
- (a) This positive variance is largely due to:
 - (i) approximately \$574,889 in collections from higher vehicle sales (of this amount, approximately \$118,141 of proceeds from the sale of four (4)

vehicles, will be used to repay the corresponding floor line financing facilities during the week of March 25, 2024);

- (ii) delayed payment of floor plan curtailments of approximately \$56,623 and professional fees of approximately \$20,429, both of which are timing differences expected to reverse in the coming weeks; and
- (iii) parts and service sales of approximately \$41,451.

(b) The positive variance is offset by:

- (i) approximately \$94,638 higher disbursements for lien payouts on vehicle trade-ins;
- (ii) approximately \$112,883 used vehicle purchases; and
- (iii) approximately \$59,252 in parts purchases.

38. A summary of the variance analysis regarding the same are attached hereto as **Appendix “J”**. Consistent with the Cash Flow Forecasts, \$425,000 (of a facility total of \$500,000) has been advanced to the Companies from the Interim Financing Loan to date.

- (a) The Companies made a \$3,197.18 payment to Tire Discounter Group related to amounts owing prior to the Filing Date. The Proposal Trustee was advised of this payment prior to it being made; however, the Proposal Trustee advised Management that due to the stay of proceedings that this payment should not be made.

39. The Revised Cash Flows indicate that the Companies will have sufficient liquidity to get to May 26, 2024, given the on-going support of BMO (remaining funds to be drawn from the Interim Financing Loan is \$75,000), the Deposit received and the remaining sale proceeds from the Transaction which is anticipated to close no later than April 30, 2024.

40. Based on the Proposal Trustee’s review of the Revised Cash Flows, there were no material assumptions which seem unreasonable in the present circumstances.

APPROVAL OF THE PROPOSAL TRUSTEE’S FEES AND DISBURSEMENTS

41. The Proposal Trustee and its legal counsel, Fogler, have been paid their fees and disbursements at their standard rates and charges by the Companies from time to time, as part of the costs of the Proposal Proceedings.

42. The Proposal Trustee and Fogler have maintained records of their professional time and costs. The Proposal Trustee now requests approval of its interim fees and disbursements for the

period from January 20, 2024 to March 22, 2024, and the interim fees and disbursements for Fogler for the period from February 7, 2024 to March 25, 2024.

43. The total interim fees and disbursements of the Proposal Trustee for the period of January 20, 2024 to March 22, 2024 total \$205,186, including fees in the amount of \$181,581, and HST in the amount of \$23,605, as more particularly described in the affidavit of Clark Lonergan sworn March 27, 2024 (the “**Lonergan Fee Affidavit**”), a copy of which is attached hereto as **Appendix “K”**.
44. The total interim fees and disbursements of Fogler principally from, February 7, 2024 to March 25, 2024, total \$57,648.05, including fees in the amount of \$50,552.00, disbursements in the amount of \$463.97, and HST in the amount of \$6,632.08, as more particularly described in the affidavit of Scott Venton sworn March 25, 2024 (the “**Venton Fee Affidavit**”), a copy of which is attached hereto as **Appendix “L”**.
45. The Proposal Trustee respectfully submits that the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Fee Affidavits, are reasonable in the circumstances and have been validly incurred in accordance with Proposal Proceedings. Accordingly, the Proposal Trustee respectfully requests the approval of the fees and disbursements of the Proposal Trustee and that of its counsel, as set out in this Third Report.

THE RELIEF AND ORDER BEING SOUGHT BY THE PROPSAL TRUSTEE

Proposed Stay Extension

46. The current stay of proceedings will expire on April 14, 2024 (the “**Stay Period**”).
47. The Companies seek an extension of time to file a proposal for an additional approximate 45 days up to and including May 29, 2024 (“**Proposed Stay Extension**”). The Proposed Stay Extension should continue to permit the Proposal Trustee and its Sales Agent to complete the SISP. Without the Proposed Stay Extension, the Companies will not be in a position to carry out the SISP or, if deemed advantageous, make viable proposals to their creditors and will become bankrupt to the detriment of their stakeholders.
48. It is the Proposal Trustee’s view, based on the Revised Cash Flow Forecasts, that the Companies will have sufficient liquidity to complete the SISP and to satisfy post filing obligations as they come due during the Proposed Stay Extension.
49. Based on the information presently available, the Proposal Trustee believes that the Companies’ creditors will not be materially prejudiced by the Proposed Stay Extension. Furthermore, the Proposal Trustee is not aware of any creditor who opposes the requested extension of the Stay Period.

CONCLUSION AND RECOMMENDATIONS

50. The Proposal Trustee confirms that the Companies have acted and continue to act in good faith and with due diligence.
51. For the reasons stated in this Third Report, the Proposal Trustee supports the relief sought in connection with the April 3, 2024, motion. The Proposal Trustee respectfully submits to the Court this, its Third Report and Confidential Supplementary Report.
52. We understand that the Companies are in support of the relief sought in connection with the April 3, 2024, motion as well.

All of which is respectfully submitted this 27th day of March, 2024.

**BDO CANADA LIMITED, in its capacity
as Proposal Trustee of OEM Automotive
Solutions Inc., OEM Automotive Cornwall Inc.,
and OEM Automotive Holdings Inc., and not in
its corporate or personal capacity.**



**Clark Lonergan, CA, CPA, CIRP, LIT
Partner/Senior Vice President**

Third Report of the Proposal Trustee
Appendix “A”

District of Ontario
Division No. 12 - Ottawa
Court File No. BK-33-03025642
Estate No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS
AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.

FIRST REPORT OF THE PROPOSAL TRUSTEE
January 11, 2024

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- Appendix A - Certificates of Filing of a Notice of Intention to Make a Proposal
- Appendix B - Affidavits of Mailings and Creditor's Package
- Appendix C - Companies' Initial Cash Flow projections for the period ended March 31, 2024
- Appendix D - Trustee's Report on Cash Flow Statements
- Appendix E - Initial Cash Flow Variance Analysis for the 2-week period ending January, 7, 2024
- Appendix F - Cash Flow Forecasts for the period December 22, 2023 to April 14, 2024
- Appendix G - Sales and Investment Solicitation Process
- Appendix H - Sales Agent Agreement dated January 9, 2024

INTRODUCTION

1. On December 22, 2023 (the “**Filing Date**”), OEM Automotive Solutions Inc. (“**Solutions**”), OEM Automotive Cornwall Inc. (“**Cornwall**”), and OEM Automotive Holdings Inc. (“**Holdings**”, collectively with Solutions and Cornwall, the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI(s)**”) pursuant to section 50.4 of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited (“**BDO**”), a Licensed Insolvency Trustee, was named proposal trustee (the “**Proposal Trustee**”) in each of the Companies’ proposal proceedings (collectively, the “**Proposal Proceedings**”). Copies of the respective certificates of filing of a Notice of Intention to Make a Proposal (the “**Certificates of Filing**”) issued by the Office to the Superintendent of Bankruptcy (the “**OSB**”) are attached hereto as **Appendix “A”**.

PURPOSE

2. The purpose of this first report of the Proposal Trustee (the “**First Report**”) is to advise the Court with respect to:
 - (a) an overview of the Companies;
 - (b) background on the circumstances leading to the Companies’ decision to commence the Proposal Proceedings;
 - (c) the Companies’ creditors;
 - (d) the Companies’ operations and communications with stakeholders since the commencement of these Proposal Proceedings;
 - (e) the Proposal Trustee’s activities since its appointment;
 - (f) an overview of the Companies’ 16-week cash flow forecasts, inclusive of the Initial Cash Flows (herein defined), for the period December 22, 2023 to April 14, 2024 (the “**Cash Flow Period**”), separately for each of the Companies (the “**Cash Flow Forecasts**”) projections and the Proposal Trustee’s comments regarding the reasonableness thereof;
 - (g) the Companies’ motion to seek an order (the “**Proposed Order**”) to:
 - (i) administratively consolidating the estates or Proposal Proceedings of the Companies;
 - (ii) extending the time for the Companies to file proposals under section 50.4(9) of the BIA by 45 days to and including March 5, 2024;

- (iii) approving the First Report, and approving the activities of the Proposal Trustee described in the First Report;
 - (iv) approving the sale and investment solicitation process (the “SISP”), and authorizing the Proposal Trustee to conduct the SISP;
 - (v) authorizing and approving the engagement of Dealer Solutions North America Inc. (“DSMA” or the “Sales Agent”) to assist with the implementation of the SISP;
 - (vi) enhancing certain powers of the Proposal Trustee;
 - (vii) authorizing the Companies to enter into an interim financing term sheet with the Bank of Montreal (“BMO”) dated on or about January 8, 2024, as interim lender (the “Interim Financing Term Sheet”); and
 - (viii) granting the super-priority Administration Charge, Directors’ Charge and Interim Financing Charge (each herein defined).
- (h) the Proposal Trustee’s recommendations on the relief being sought by the Companies.
3. The Proposal Trustee understands that the Companies will be relying on the affidavit of Ms. Caroline Bourret (“Ms. Bourret”) sworn January 9, 2024 (the “Bourret Affidavit”) in support of the relief sought in the Proposed Order.
 4. The Bourret Affidavit, and all other materials filed with the Court in these Proposal Proceedings are accessible on the Proposal Trustee’s websites at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/oem-automotive-solutions-inc>; www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/oem-automotive-cornwall-inc; www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/oem-automotive-holdings-inc (the “Proposal Trustee’s Websites”).

TERMS OF REFERENCE

5. In preparing this First Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Companies, discussions with management of the Companies

(“**Management**”), and information from other third-party sources (collectively, the “**Information**”). Except as described in this First Report in respect of the Cash Flow Forecasts:

- (a) The Proposal Trustee has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“**GAAS**”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
 - (b) Some of the information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.
6. Future oriented financial information referred to in this First Report was prepared based on Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variation could be significant.
 7. Unless otherwise indicated, the Proposal Trustee’s understanding of factual matters expressed in this First Report concerning the Companies and their business is based on the Information, and not independent factual determinations made by the Proposal Trustee.
 8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

OVERVIEW OF THE COMPANIES

9. This First Report should be read in conjunction with the Bourret Affidavit for additional background and financial information with respect to the Companies. Any terms not expressly defined herein are otherwise defined in the Bourret Affidavit.
10. OEM Automotive Solutions Inc. is a privately held corporation, federally incorporated company, pursuant to the *Canada Business Corporations Act*, R.S.C, 1985 c. (the “**CBCA**”) on February 1, 2014. Solutions operates as a Volkswagen dealership in Cornwall, Ontario, servicing the City of Cornwall and South-Eastern Ontario, providing sales, leasing and repair services in respect of new and used Volkswagen vehicles, as well as other used original

equipment manufacturers (“**OEM(s)**”) trade-in used vehicles. Solutions employees twenty-five (25) non-unionized employees.

11. OEM Automotive Cornwall Inc. is a privately held corporation, federally incorporated company pursuant to the CBCA on August 21, 2019. Cornwall operates as a real estate holding company which owns the real property, located at 628 Pitt Street, Cornwall, Ontario (the “**Body Shop Property**”) which Solutions operates as an automotive body shop from.
12. OEM Automotive Holdings Inc. is a privately held corporation, federally incorporated company, pursuant to the CBCA on June 5, 2019. Holdings operates as a real estate holding company which owns the real property, located at 632 Pitt Street, Cornwall, Ontario (the “**Dealership Property**”, together with the Body Shop Property, the “**Real Property**”) which Solutions operates the Cornwall Volkswagen dealership from.
13. The Companies are related, share management, back-office and accounting functions, and have the same directors. All business activities are managed through Solutions.
14. The Companies purchased the pre-existing retail Volkswagen dealership located in Cornwall, Ontario in or around November 2019. In need of a potential investor for the acquisition, Ms. Bourret partnered with Mr. Cameron Grant (“**Mr. Grant**”), whose family operated a body shop which had a pre-existing relationship Cornwall Volkswagen, for the purchase.
15. The Companies are each wholly owned subsidiaries of Seaway Auto Group Inc. (“**Seaway**”). Seaway shareholders include Ms. Bourret (51%) and 11678833 Canada Inc. (“**116 Canada**”) (49%), which is beneficially owned by Mr. Grant and his family.

CIRCUMSTANCES LEADING UP TO THE PROPOSAL PROCEEDINGS

16. According to the Bourret Affidavit, the business relationship between Mr. Grant, Grant’s family and herself was strained from the beginning, with disputes among the shareholders culminating in certain claims and counterclaims made in proceedings filed in the Ontario Superior Court of Justice, which ultimately resulted in judgement and costs rendered against Mr. Grant, his brother and 116 Canada (the “**Shareholder Dispute**”). These awarded judgments have not been satisfied to date.
17. The Shareholder Dispute, coupled with the lingering effects of the COVID-19 pandemic (OEM parts and vehicles supply shortages), the loss of key management resources and the current higher interest rate market conditions significantly impacted Ms. Bourret’s ability to adequately manage and operate the Volkswagen dealership. As a result of these factors, the Companies faced a critical cash shortage in late 2023, resulting in limited liquidity, if any and greater than \$600,000 in sold in violation (“**SIV(s)**”) vehicles owing to the Company’s senior

secured creditor, BMO, who is owed more than \$5 million currently. Generally, a SIV amount arises when a dealership sells a vehicle, which is financed, and uses the sales proceeds to fund business operations versus paying back the vehicle floor line financing facility as required.

18. Additionally, given the loss of the Companies' finance and service department personnel, its books and records remain significantly out of date, with 2022 year-end financials not closed and the 2023 monthly financials and bank reconciliations not updated since early 2023.
19. BMO requested that Ms. Bourret and/or Mr. Grant inject funds immediately to cure the significant SIV balance and to provide sufficient capital for the Companies to continue to operate as a going concern. Ms. Bourret and Mr. Grant indicated that they did not possess the necessary liquid funds and/or even if they did, that they would not inject funds into the Companies given their current financial position.
20. As a result of the financial and operational challenges faced by the Companies, further negatively impacted by the on-going Shareholder Dispute, BMO made formal demand for repayment and notice of intention to enforce security on December 13, 2023. The Companies were unable to issue full repayment in response to BMO's demand and as a result are insolvent.
21. Following discussions with BMO, the Proposal Trustee and counsel, the shareholders agreed that these Proposal Proceedings, funded by BMO as interim lender, would be a preferred means by which to pursue a sale and/or restructuring under the BIA to preserve and realize value for all stakeholders.
22. On December 22, 2023, the Companies commenced the Proposal Proceedings under the BIA for the purpose of, among other things, creating stability for the Companies to regularize business and to permit the Proposal Trustee to conduct a SISF for the marketing and sale of the Companies' business as a going-concern in whole or in part, or to seek an investment in the Companies' business.

CREDITORS

Secured Claims

Bank of Montreal

23. BMO established certain credit facilities in favour of the Companies:
 - (a) five (5) facilities in favour of Solutions in a maximum aggregate principal amount of (CAD) \$6,413,640;

- (b) a term loan in favour of Holdings in the amount of (CAD) \$1,040,000;
- (c) a term loan in the amount of (CAD) \$560,000 in favour of Cornwall; and
- (d) corporate MasterCard.

(collectively, the “**BMO Credit Agreements**”).

24. BMO holds, among other things, a general security interest against all of the Companies’ assets which has been registered under the *Personal Property Security Act* (Ontario) (the “**PPSA**”). As of the date of this First Report, the Companies are indebted to BMO in the approximate amount of \$5.1 million.
25. In connection with the BMO Credit Agreements, the Companies and others granted various additional security, including collateral mortgages and general assignment of rents against the Real Property in favour of BMO, and guarantees including a limited guarantee from Seaway Toyota (1990) Inc. (the “**Grants Seaway**”), a body shop entity owned by the Grant family, and a joint and several limited guarantee from Ms. Bourret and Mr. Grant.

Glenn Joseph MacDonell

26. Pursuant to a vendor takeback with Glenn Joseph MacDonell (“**MacDonell**”) dated November 12, 2019 (the “**VTB**”), MacDonell advanced \$1,000,000 to Holdings and Cornwall to purchase the premises on Pitt Street in Cornwall. In connection with the VTB, the Companies granted various security documents in favour of MacDonnell. Cornwall and Holdings both granted collateral mortgages in the amount of the funds advanced. The Proposal Trustee understands that the VTB is subordinate to BMO.
27. The parcel search, appended to the Bourret Affidavit, for the real property owned by Holdings and the real property owned by Cornwall reflect that BMO holds the first-ranking mortgage security against both of the properties.

Various Related Party Loans

28. The Proposal Trustee understands that various loans related to Ms. Christina Grant, 1921534 Ontario Ltd., and Grant Seaways were provided to 116 Canada in the amount of \$1,800,000 and in turn, 116 Canada lent the funds to Seaway for the initial purchase transaction associated with the purchase of the Cornwall VW. Various guarantee, indemnity, assign and postponement agreements by certain or all of the parties, were executed regarding the same. Further details regarding these amounts can be found in the Bourret Affidavit.
29. In addition to the foregoing, such parties as disclosed in the searches appended to the Bourret Affidavit have registered security interests against one or more of the Companies. The

Proposal Trustee understands that the security held by BMO, ranks first in priority over all of the Companies' personal property, other than in respect to any priority claims that may exist in law.

Equipment Loan

30. De Lage Landen Financial Services Canada Inc. has a registered security interest in the tractor purchased by Solutions.
31. The Proposal Trustee has not obtained an independent, written opinion from its legal counsel, Fogler, Rubino LLP ("Fogler"), with respect to the validity and enforceability of the BMO Credit Agreements and/or the other secured debts and their related security documents noted above, as there is no pressing need to do so at this time and incur the associated costs.

Government Remittances and Municipal Property Taxes

32. The Companies use an external payroll provider and as such are current with all government remittances for source deductions, save and except for source deductions accrued and accruing in respect of standard payroll processing, which will continue in the ordinary course.
33. The Proposal Trustee understands that a large installment was made to the Canada Revenue Agency (the "CRA") related to a potential harmonized sales tax (the "HST") amounts owed. Given the state of the Companies books and records, it is unknown what pre-filing HST, if any, may be owing.
34. The Proposal Trustee understands that Holdings and Cornwall are current with their respective property tax instalments.

Unsecured Creditors

35. As previously outlined, the Companies books and records have not been updated since early 2023, including the respective monthly bank reconciliations. As a result, Ms. Bourret resorted to paying vendor accounts, as invoices were presented, via pre-authorized debit or electronic funds transfers (limited, if any outstanding cheques) and utilized the Companies' bank statements as a ledger to track who has been paid. This is not an appropriate or adequate form of bookkeeping. The Companies, with the assistance of the Proposal Trustee, attempted to reconstruct an accounts payable ledger as at December 22, 2023, with \$250 place holders for unknown vendor balances, to insure the potential creditors, subject to the Proposal Proceedings received notice. Each affidavit of mailing and the associated creditor package for each of the Companies is attached hereto as **Appendix "B"**.

UPDATE ON THE COMPANIES' ACTIVITIES

36. Since the Filing Date, the Companies have been taking steps and focusing on stabilizing operations. Management, with the assistance of the Proposal Trustee, has engaged in various discussions with stakeholders, suppliers, customers, and employees. As of the date of this First Report, the Companies have maintained their business operations without significant disruption or issues.

PROPOSAL TRUSTEE'S ACTIVITIES TO DATE

37. The Proposal Trustee established the Proposal Trustee's Websites for these Proposal Proceedings. All court documents and certain other relevant documents have and will continue to be posted as they are made available.
38. In accordance with its obligations under the BIA, the Proposal Trustee prepared and sent a notice on December 27, 2023, which includes information about the Proposal Proceedings, to all known creditors, based on the contact information of such known creditors who have a claim against the Companies of more than \$250, by prepaid ordinary mail and email where unknown.
39. In accordance with subsection 50.4(2)(c) of the BIA, the Proposal Trustee assisted the Companies in the preparation of their respective cash-flow projections and related assumptions for the 14-week period ending March 31, 2024, together with management's report on the cash-flow projection (the "Initial Cash Flows"). Copies of the Initial Cash Flows are attached hereto as **Appendix "C"**.
40. In accordance with subsection 50.4(2)(b) of the BIA, the Proposal Trustee reviewed the Initial Cash Flows, and assessed their reasonableness.
41. The Proposal Trustee also completed statutory forms and e-filed such reports with the OSB.
42. Furthermore, since the issuance of the Certificates of Filing, the Proposal Trustee, among other things, has:
- (a) participated in various calls with the Companies' external accounting/finance consultants to gain a better understanding of the Companies' books and records, 2022 financial statement audit, current treasury functions, payroll, etc.;
 - (b) participated in various meetings with the Companies' sales manager and Ms. Bourret to understand vehicles sales, dealer trades, used vehicle purchases, used vehicle auction sales, etc.;
 - (c) created and updated the Companies' outstanding SIV balance;

- (d) assisted the Companies with stakeholder communications;
 - (e) responded to calls, e-mails and letters received from creditors and other parties with respect to the Proposal Proceedings;
 - (f) participated in various discussions with Volkswagen Canada (“VW”) and its legal counsel;
 - (g) created the SISP procedures and timelines;
 - (h) responded to multiple calls and emails from Mr. Grant’s representatives and/or his counsel;
 - (i) participated in various discussions with the Companies and certain stakeholders in connection with the engagement of the Sales Agent, marketing plan and timelines associated with the SISP;
 - (j) created a weekly monitoring protocol with the Companies in order for the Proposal Trustee to be able to review and report on the Companies’ weekly cash receipts and disbursements; and
 - (k) reviewed the Companies’ actual receipts and disbursement.
43. Prepared this First Report, including reviewing the Companies’ assets and operations in, reviewing various financial reports, appraisals and valuations and other related analysis.

CASH FLOW PROJECTIONS

44. Based on the Proposal Trustee’s review of the Initial Cash Flows, there were no material assumptions which seem unreasonable in the present circumstances. The Proposal Trustee’s reports on the Initial Cash Flows (the “**Trustee’s Report on Cash-Flow Statement(s)**”) are attached hereto as **Appendix “D”**.
45. The Initial Cash Flows indicated that the Companies had sufficient liquidity to get to March 31, 2024, if BMO did not require the immediate payment of the outstanding SIV vehicle balance from current funds on hand, froze certain principal payments on its facilities and allowed the Companies to utilize its undrawn \$300,000 line of credit. Given the support of BMO, it was anticipated that the Companies could stay current with post-filing obligations up to March 31, 2024.
46. The Companies actual cash flow from operations for the two-week period ending January 7, 2024, exceeded the corresponding Initial Cash Flow amounts for that same period by approximately \$362,528. This positive variance is largely due to higher collections from vehicle sales and other revenue streams, coupled with delays in the disbursement of

professional fees, which is expected to reverse in the coming weeks. This variance is partially offset by earlier curtailment payment and parts purchases. Approximately \$155,000 of this positive timing variance relates to unanticipated SIV vehicle sale proceeds that were received after the Filing Date which will be used to paydown the corresponding floor line facility. A summary of the variance analysis regarding the same are attached hereto as **Appendix “E”**.

47. The Initial Cash Flows indicated that the Companies’ liquidity would be exhausted by the end of March 2024, which poses a problem given the Companies’ refined assumptions and an outside closing date included in the SISP which is April 30, 2024.
48. Given the Companies’ refinement of assumptions and SISP timelines, the Companies, with the assistance of the Proposal Trustee, have prepared the Cash Flow Forecasts for the purpose of projecting the Companies’ estimated liquidity needs during the Cash Flow Period which should be sufficient to substantially complete, if not compete the SISP. A copy of the Cash Flow Forecasts is attached hereto as **Appendix “F”**.
49. The Proposal Trustee has reviewed the Cash Flow Forecasts, including its assumptions, through inquiries, analytical procedures and discussions and review of documents related to the Information supplied by Ms. Bourret and employees of the Companies. Based on the Proposal Trustee’s review, nothing has come to its attention that causes it to believe, as at the date of the First Report, the Assumptions are not suitably supported and consistent with the plans of the Companies or do not provide a reasonable basis for the Cash Flow Forecasts.
50. The Cash Flow Forecasts show that during the Cash Flow Period, the Companies will experience a net cash outflow of approximately \$680,000. The Cash Flow Forecasts project that during the Cash Flow Period, the Companies should have sufficient liquidity, given the actual cash on hand as at the Filing Date, the positive timing variances experience to date, and via funding from the new Interim Financing Loan which is, subject to Court approval.

THE RELIEF AND ORDER BEING SOUGHT BY THE COMPANIES

Proposed Consolidation of the Estates

51. The Proposed Order seeks an administrative consolidation of the multiple estates included in the Proposal Proceedings. The Companies are related parties with a single business enterprise and a common senior, secured creditor. Additionally, the SISP contemplates the solicitation of offers to purchase the Companies’ assets, undertakings, and properties, in whole or in part, and/or invest in the Companies’ business, and that such process be administered in a unified manner. The relief is sought by the Companies to avoid a duplicity of proceedings and unnecessary costs.

52. In the view of the Proposal Trustee, the Companies' creditors will not be prejudiced by the proposed administrative consolidation of the Proposal Proceedings. Additionally, it is the most efficient, cost effective and practical approach to manage the Proposal Proceedings.

Proposed Stay Extension

53. Under the BIA, the initial stay of proceedings will expire on January 20, 2024 (the "**Stay Period**").
54. The Companies seek an extension of time to file a proposal for an additional approximate 45 days to and including March 5, 2024 ("**Proposed Stay Extension**"). The Proposed Stay Extension should permit the Proposal Trustee and its Sales Agent to commence and advance the SISP. Without the Proposed Stay Extension, the Companies will not be in a position to carry out the SISP or, if deemed advantageous, make a viable proposal to their creditors and will become bankrupt to the detriment of their stakeholders.
55. It is the Proposal Trustee's view, based on the Cash Flow Forecasts, that the Companies will have sufficient liquidity to commence and advance the SISP and to satisfy post filing obligations as they come due during the Proposed Stay Extension.
56. Based on the information presently available, the Proposal Trustee believes that the Companies' creditors will not be materially prejudiced by the Proposed Stay Extension. Furthermore, the Proposal Trustee is not aware of any creditor who opposes the requested extension of the Stay Period.

Proposed Priority Charges

57. The Proposed Order provides for three (3) priority charges (collectively, the "**Charges**") on all of the current and future assets, undertakings, and properties of the Companies, wherever located, including all proceeds thereof that rank in the following order:
- (a) first, the Administration Charge (defined below);
 - (b) second, the Interim Financing Charge (defined below); and
 - (c) third, the Director's Charge (defined below).
58. The Proposal Trustee understands that the Companies have provided their secured creditors with notice, with such secured creditors having been included on the service list in connection with these Proposal Proceedings, prior to the relief being sought in the Proposed Order.

ADMINISTRATION CHARGE

59. The Proposed Order provides for a charge up to a maximum amount of \$400,000 (the “**Administration Charge**”) in favour of counsel to the Companies, the Proposal Trustee and its independent counsel and any fees related to the Sales Agent engaged by the Proposal Trustee, as security for the professional fees and disbursements incurred prior to and after the commencement of the Proposal Proceedings. Professional fee obligations secured by the Administration Charge will be paid in the ordinary course from funding provided by the Interim Financing Loan.
60. The Proposal Trustee is of the view that given the current liquidity constraints of the Companies, the proposed Administration Charge is required and reasonable in the circumstances. The Proposal Trustee is of the view that the Administration Charge is necessary for the effective participation of the professionals in the Proposal Proceedings and believes the quantum of the Administration Charge is reasonable in the circumstances based upon a review and assessment of the anticipated professional costs to be incurred during this matter.
61. The Proposal Trustee revisits the Administration Charge below in this First Report.

INTERIM FINANCING CHARGE

62. The Companies are seeking approval of the Interim Financing Term Sheet pursuant to which BMO, in its capacity as the proposed lender under the Interim Financing Term Sheet (the “**Interim Financing Lender**”), has offered to make available to the Companies a debtor-in possession (“**DIP**”) loan in the maximum amount of \$500,000 (the “**Interim Financing Loan**”) in order provide sufficient liquidity for the Companies, and for the Proposal Trustee and its Sales Agent to complete the Court approved SISF.
63. In addition to the approval of the Interim Financing Term Sheet, the Proposed Order also provides for the creation of a related charge of up to \$500,000 (the “**Interim Financing Charge**”) to match the maximum allowed borrowings pursuant to the Interim Financing Term Sheet.
64. The material items, terms and conditions of the Interim Financing Term Sheet include the following:
 - (a) principal amount: up to a maximum amount of \$500,000 (the “**Maximum Amount**”);
 - (b) purpose of the loan: to fund (i) working capital needs of the Companies; (ii) the Interim Financing Lender’s fees and expenses; (iii) professional fees and expenses

incurred by the Companies and the Proposal Trustee and its legal counsel in respect to the Proposal Proceedings; (iv) the costs associated with the SISP and (v) such other costs and expenses of the Companies as maybe agreed upon, in writing;

- (c) interest rate: prime rate plus 200 basis points (approximately 9.2% currently), payable on the Maturity Date (defined herein);
- (d) commitment fee: equal to 5% of the Maximum Amount payable on the Maturity Date;
- (e) Interim Lenders Charge and Court Approval: the Interim Financing Loan is to be secured by a Court-ordered priority charge over all of the Companies' present and after-acquired property, assets and undertakings subject only to the Administration Charge. The Interim Financing Loan will be available to the Companies subject to certain conditions including the issuance of the Proposed Order by no later than 5:00 pm on January 19, 2024, approving the Interim Financing Term Sheet, the Interim Financing Loan and the Interim Financing Charge; and
- (f) repayment: the Interim Financing Loan is to repaid on the maturity date, which is defined as the earlier of:
 - (i) the occurrence of an event of default;
 - (ii) the day on which the stay of proceedings under the Proposal Proceedings is lifted without the consent of Interim Financing Lender or the date on which the Proposal Proceedings are terminated;
 - (iii) the date upon which a transaction for the sale of substantially all of the business and assets of the Companies are complete; and
 - (iv) April 30, 2024 (or such other date as the Interim Financing Lender in its sole discretion may agree to in writing with the Companies.

(the "**Maturity Date**").

- 65. A copy of the Interim Financing Term Sheet is attached as Exhibit V in the Bourret Affidavit.
- 66. The Proposal Trustee believes the terms offered by the Interim Financing Lender are reasonable and competitive in the circumstances.
- 67. The Proposal Trustee is of the view that the Companies' request for approval of the Interim Financing Term Sheet and the Interim Financing Charge is required and reasonable in order to provide the Companies necessary financing to maintain ongoing operations and conduct

the SISP. Absent approval of this financing, the Companies will be forced to shut down operations and commence a liquidation of its assets, resulting in lost jobs for the Companies' employees and lost value for the Companies' creditors and stakeholders.

DIRECTORS CHARGE

68. As part of these Proposal Proceedings, the Companies are seeking a charge up to a maximum amount of \$100,000 for the Companies' directors (the "**Director's Charge**"), ranking in priority to all other claims and encumbrances, with the exception of the Administration Charge and the Interim Financing Charge, as security for the Companies' indemnification for possible liabilities that may be incurred by the directors and officers after the Filing Date, including HST arrears, wages, vacation pay, and source deductions.
69. The Proposal Trustee believes that the directors are crucial to maintaining the Companies' operations and assisting the Proposal Trustee with the SISP. As such, the quantum of the Director's Charge is reasonable in the circumstance as, among other things, there is also no existing coverage for directors and officers under the Companies' existing insurance policies.
70. The Proposal Trustee revisits the Director's Charge below in this First Report.

PROPOSED SALES INVESTMENT AND SOLICITATION PROCESS

71. Any terms not expressly defined in this section are otherwise defined in the SISP.
72. The Proposal Trustee, in consultation with the Companies and Interim Financing Lender, developed the SISP, intended to solicit interest in and opportunities for an investment in or sale of all or substantially all of the Property or business of the Companies. A copy of the SISP's detailed process and procedure is attached hereto as **Appendix "G"**.
73. The Proposal Trustee, in consultation with the Companies and Interim Financing Lender, entered into an advisory agreement with the Sales Agent, pending Court approval, to administer the SISP (the "**Sales Agent Agreement**"). A copy of the Sales Agent Agreement is attached hereto as **Appendix "H"**.
 - (a) The Proposal Trustee approached two (2) qualified national firms with a request for proposal ("**RFP**") to be its sales agent to assist in conducting the SISP. Two (2) proposals regarding the sales agent role were received and DSMA was chosen given their previous familiarity with the Companies, Eastern Ontario regional deal team, industry expertise and pricing that was consistent with the other sales agent's proposal. Ms. Bourret additionally had a strong preference for DSMA.

- (b) As outlined in the Sales Agent Agreement, DSMA’s fees will be based on an hourly rate per person for hours worked on the mandate, with a \$150,000 minimum fee requirement.

74. The Proposal Trustee and Sales Agent are qualified to administer the SISP for the following reasons:

- (a) they have considerable experience conducting similar sales processes;
- (b) they have extensive industry and institutional contacts who they ensure will be made aware of this opportunity;
- (c) they are independent of the Companies; and
- (d) they will ensure that the SISP is thorough, transparent, and an efficient process for the benefit of the Companies’ stakeholders.

Sales Process Summary & Proposed Timeline

75. The SISP shall commence immediately following the issuance of the Proposed Order. The table below sets out subsequent key deadlines in the SISP that interested parties should note (terms within the table are defined in subsequent paragraphs):

<u>Milestone</u>	<u>Deadline</u>
Go to market	Monday, January 29, 2024
Expression of Interest Date (EOI Deadline)	Thursday, February 29, 2024 (5:00 PM Eastern Time)
EOI Offer Selection Date	Tuesday, March 5, 2024
Binding Letter of Intent Date (LOI Deadline)	Friday, March 15, 2024 (5:00 PM Eastern Time)
Offer Selection Date	Tuesday, March 19, 2024
Definitive Transaction Agreement	Wednesday, April 3, 2024
Hearing of the Sale Approval Motion / Transaction Execution Date	Subject to availability of the Court
Closing the Transaction (outside date)	No later than Tuesday, April 30, 2024

76. The SISP serves to solicit and identify parties that wish to make a formal offer to purchase or make an investment in the Companies or their Property or business (the “**Opportunity**”).

77. The Opportunity may include one or more of a restructuring, recapitalization or other form of reorganization of the business and affairs of the Companies, as a going concern or a sale of all, or substantially all of the Property.
78. The Sales Agent, in conjunction with the Proposal Trustee, will develop a list of potential bidders (the “**Known Potential Bidders**”). This list will be comprised of those that have previously shown interest in transacting with the Companies, and other potential strategic and financial parties who the Companies and the Sales Agent believe may be interested in the Opportunity.
79. The Sales Agent will also prepare a process summary describing the Opportunity (the “**Teaser Letter**”) and a non-disclosure agreement (the “**NDA**”).
80. The Sales Agent will send the Teaser Letter and NDA to all Known Potential Bidders, and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Companies or the Sales Agent as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.
81. Any party who wishes to participate in the SISP (“**Potential Bidder(s)**”) must provide to the Sales Agent an executed NDA and a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.
82. The Sales Agent, with the approval of the Proposal Trustee, shall in their reasonable business judgment and subject to competitive and other business considerations, afford each Potential Bidder who has signed and delivered the NDA to the Sales Agent and provided information as to their financial wherewithal to close a Transaction, such access to due diligence material and information relating to the Property as the Sales Agent and the Proposal Trustee deem appropriate.
83. To be considered for inclusion in the next round of the process, Expressions of Interest (“**EOI**”) must be received by the Proposal Trustee and Sales Agent no later than 5:00 PM (Eastern Time) on February 29, 2024, or as may be modified in the bid process letter that may be circulated by the Sales Agent to Potential Bidders, with the approval of the Proposal Trustee. The EOI should describe in sufficient detail all material matters relating to the proposed Transaction. While EOI’s may be non-binding, at a minimum an EOI should include clear statements with respect to the following information:
 - (a) identity of the entity or entities acquiring the Companies, or each of Solutions, Cornwall or Holdings, (i.e., if acquiring the Companies indirectly, through a

subsidiary, a limited partnership or other entity), including the identity of any entity that controls such acquiring entity. Additionally, given the nature of Solutions business, the EOI must state the individual/party that will be the dealer principal with Volkswagen Canada;

- (b) cash purchase price (in Canadian dollars) that is to be paid in connection with the Transaction, including an explanation of the methods and key assumptions used to determine the purchase price (the “**Purchase Price**”);
- (c) indication of deal structure, including but not limited to: an investment in Cornwall VW (shares, preferred shares, debt purchase, etc., an “**Investment Proposal**”) or an acquisition of all, substantially all or a portion of the Property (outright purchase of the shares of Cornwall VW, “**Share Purchase Agreement**” or purchase of select, or all or substantially all of the assets of Cornwall VW, “**Asset Purchase Agreement**”, together a “**Sale Proposal**”);
- (d) proposed financing for the Transaction and, if other than internal funds, the expected sources of such financing, the expected timing for commitment of funds and the steps required to secure such commitment;
- (e) nature of additional diligence required before entering into a binding LOI with Cornwall VW;
- (f) assumptions and intentions with respect to retention of management and employees;
- (g) outline any regulatory, shareholder, lender or other third-party approvals that would be required or potentially required and the estimated timetable required to conclude a Transaction and whether the EOI is conditional on any other items;
- (h) any conditions to closing or any other terms and conditions that would be required in order to complete the Transaction;
- (i) contact Information for those persons who should be contacted with respect to the EOI; and
- (j) disclosure of any other matters that may be helpful in the evaluation of the EOI and complete the Transaction on a timely basis.

84. An EOI will be evaluated based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such bid, (ii) the identity, circumstances and ability of the Potential Bidder to successfully complete such transactions, (iii) the proposed

transaction documents, (iv) factors affecting the speed, certainty and value of the transaction, (v) the assets included or excluded from the bid, (vi) any related restructuring costs, and (vii) the likelihood and timing of consummating such transaction, each as determined by the Sales Agent, the Proposal Trustee and the Interim Financing Lender.

85. The Sales Agent shall notify each Potential Bidder who submitted an EOI in writing as to whether its EOI was selected to continue in the SISP (the “**Selected EOIs**”) by no later than Tuesday March 5, 2024, or at such later time as the Sales Agent and Proposal Trustee deems appropriate, with the approval of the Interim Financing Lender.
86. Potential Bidders with Selected EOIs that wish to make a formal offer to purchase or make an investment in the Companies or their Property (a “**Bidder**”) shall submit a binding Letter of Intent (a “**LOI**”) that complies with all of the following requirements of the Proposal Trustee and the Sales Agent and received by the Proposal Trustee and Sales Agent no later than 5:00 PM (Eastern Time) on Friday March 15, 2024 or as may be modified in the bid process letter that may be circulated by the Sales Agent to Potential Bidders, with the approval of the Proposal Trustee and its stakeholders (the “**LOI Deadline**”):
 - (a) the LOI must be either a binding offer to make:
 - (i) a Sale Proposal to acquire all, substantially all or a portion of the Property (outright purchase of the shares of Cornwall VW, or purchase of select, or all or substantially all of the Property of Cornwall VW); and/or
 - (ii) an Investment Proposal for an investment in, restructure, recapitalization or reorganize of the Company (shares, preferred shares, debt purchase, etc.).
 - (b) the LOI (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 Companies or its Property and is consistent with any necessary terms and conditions established by the Sales Agent and the Trustee and communicated to Bidders;
 - (c) the LOI includes a letter stating that the Bidder’s offer is irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;
 - (d) the LOI includes draft mark-ups of the transaction agreements included in the VDR, including the purchase price (by major asset type/legal entity), investment

amount and any other key economic terms expressed in Canadian dollars, together with all exhibits and schedules thereto;

- (e) the LOI includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Trustee and the Sales Agent to make a determination as to the Bidder's financial and other capabilities to consummate the proposed transaction;
- (f) the LOI is not conditional on (i) the outcome of unperformed due diligence by the Bidder, or (ii) obtaining financing, or (iii) the Company receiving the required approvals or amendments relating to the supply management, distribution and licence agreements required to operate the dealership (other than the dealer principal individual/party approval by VW);
- (g) the LOI fully discloses the identity of each entity that will be entering into the Transaction or the financing, or that is otherwise participating or benefiting from such bid (including the dealer principal individual/party with VW);
- (h) for a Sale Proposal, the LOI includes:
 - (i) the Purchase Price in Canadian dollars (by major asset type/legal entity) and a description of any non-cash consideration, including details of any liabilities to be assumed by the Bidder and key assumptions supporting the valuation;
 - (ii) a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
 - (iii) a specific indication of the financial capability of the Bidder and the expected structure and financing of the transaction;
 - (iv) a description of the conditions and approvals required to complete the closing of the transaction;
 - (v) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and which such liabilities and obligations it does not intend to assume;
 - (vi) any other terms or conditions of the Sale Proposal that the Bidder believes are material to the transaction; and

- (vii) a commitment by the Bidder to provide a non-refundable deposit, the greater of: an amount of not less than 10% of the Purchase Price offered or \$250,000, upon the Bidder being selected as the Successful Bidder.
- (i) for an Investment Proposal, the LOI includes:
 - (i) a description of how the Bidder proposes to structure the proposed investment, restructuring, recapitalization, or reorganization, and a description of any non-cash consideration;
 - (ii) the aggregate amount of the equity and/or debt investment to be made in the business or the Company in Canadian dollars;
 - (iii) the underlying assumptions regarding the pro forma capital structure;
 - (iv) a specific indication of the sources of capital for the Bidder and the structure and financing of the transaction;
 - (v) a description of the conditions and approvals required to complete the closing of the transaction;
 - (vi) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and those liabilities and obligations it does not intend to assume;
 - (vii) any other terms or conditions of the Investment Proposal; and
 - (viii) a commitment by the Bidder to provide a non-refundable deposit, the greater of: an amount of not less than 10% of the total new investment contemplated or \$250,000, upon the Bidder being selected as the Successful Bidder.
- (j) the LOI includes acknowledgements and representations of the Bidder that the Bidder:
 - (i) has had an opportunity to conduct any and all due diligence regarding the Property, and the Companies prior to making its offer;
 - (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 expressed, implied, statutory, or otherwise, regarding the Company, or the Property, or the

completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Company;

(k) the LOI is received by the LOI Deadline; and

(l) the LOI contemplates closing the transaction set out therein no later than Tuesday, April 30, 2024, subject to obtaining Court approval and VW's approval of the dealer principal.

87. Following the LOI Deadline, the Sales Agent, the Proposal Trustee and the Interim Financing Lender will assess the LOIs received. The Sales Agent, with the approval of the Proposal Trustee, will designate the most competitive LOIs that comply with the foregoing requirements to be "**Qualified Bids**". Only Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).
88. The Sales Agent shall notify each Bidder in writing as to whether its LOI constitutes a Qualified Bid by no later than Tuesday March 19, 2024, or at such later time as the Proposal Trustee deems appropriate.
89. The Proposal Trustee, in consultation with the Sales Agent and the Interim Financing Lender, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant LOIs to be a Qualified Bid.
90. In the event that the Proposal Trustee, in consultation with the Sales Agent, is not satisfied with the number or terms of the Qualified Bids, the Proposal Trustee may, in consultation with the Sales Agent and Interim Finance Lender, extend the Bid Deadline, or may seek Court approval for amendments to the SISP.
91. The Proposal Trustee may, in consultation with the Sales Agent, aggregate separate Bids from unaffiliated Bidders to create one Qualified Bid.
92. A Qualified Bid will be evaluated based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such bid, (ii) the identity, circumstances and ability of the Bidder to successfully complete such transactions, (iii) the proposed transaction documents, (iv) factors affecting the speed, certainty and value of the transaction, (v) the assets included or excluded from the bid, (vi) any related restructuring costs, and (vii) the likelihood and timing of consummating such transaction, each as determined by the Sales Agent, the Proposal Trustee and the Interim Finance Lender.
93. The Proposal Trustee, in consultation with the Sales Agent and the Interim Finance Lender, will:

(a) review each Qualified Bid with consideration of the following:

- (i) the amount of consideration being offered, and, if applicable, the proposed form, composition, and allocation of same;
- (ii) the value of any assumption of liabilities or waiver of liabilities;
- (iii) the likelihood of VW accepting the purchaser and identified individual/party as the dealer principal;
- (iv) the likelihood of the Bidder's ability to close a transaction by April 30, 2024 (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments and required governmental or other approvals); the likelihood of the Court's approval of the Successful Bid, if required; the net benefit to the Company; and
- (v) any other factors the Company may, consistent with its fiduciary duties, reasonably deem relevant.

(b) identify and select the highest or otherwise best bid received (the "**Successful Bid**", and the Bidder making such bid, the "**Successful Party**"), and notify or inform the Successful Party that its bid or Qualified Bid is the Successful Bid.

94. The Successful Party shall complete and execute all agreements, contracts, instruments or other documents including the Definitive Transaction Agreement evidencing and containing the terms and conditions upon which the Successful Bid was made by Wednesday April 3, 2024, unless extended by the Proposal Trustee, in consultation with and approval from the Interim Finance Lender, subject to the milestones or deadlines set forth in paragraph 12 of the SISF.
95. A Court date will be scheduled to hear a motion to approve any Transaction with the Successful Party (the "**Sale Approval Motion**"). At the Sale Approval Motion, the Proposal Trustee or the Companies shall seek, among other things, approval from the Court to consummate the Successful Bid. All Qualified Bids other than the Successful Bid, if any, shall be deemed to be rejected by the Proposal Trustee and/or Sales Agent on and as of the date of approval of the Successful Bid by the Court.

ADMINISTRATION CHARGE REVISITED

96. As noted above, the Companies are seeking an Administration Charge up to a maximum amount of \$400,000 in favour of counsel to the Company, the Proposal Trustee, the Proposal Trustee's independent counsel and the Sales Agent (the "**Professional Group**") as security for the professional fees and disbursements incurred during the Proposal Proceedings.
97. As set out in the Bourret Affidavit, the Companies believe the Administration Charge is essential to a successful restructuring.
98. In terms of the provision of professional services, it is envisioned that the Proposal Trustee, with the assistance of the Sales Agent, will oversee and implement the Proposal Proceedings and Sales Process and will call upon counsel as appropriate to carry out its obligations relating thereto. A summary of essential services to be provided include:
 - (a) administration and monitoring of the Proposal Proceedings, including preparing reports to creditors, the Official Receiver, and this Court as may be required by the BIA, and reviewing the Companies' cash-flows and related financial disclosure;
 - (b) implementation of the Sales Process over a 9-week period, including drafting the solicitation package (including various documents), preparation of the Data Room, assisting Potential Bidders with the due diligence process, reviewing bids and negotiating and drafting Agreement(s);
 - (c) preparing, drafting and filing all court materials, including the motion to approve any proposed sale of the Companies assets;
 - (d) providing general corporate and specialized restructuring advice to the Companies; and
 - (e) Assisting the Companies in the preparation of its financial reporting as may be required under the BIA.
99. Because of their institutional knowledge of the Companies' business and their specialized experience in proposal proceedings generally, the services to be provided by the Professional Group are critical to the success of the Companies' restructuring. Further, the Professional Group has and will work cooperatively to ensure there is no unwarranted duplication of work completed.
100. Fees and disbursements of the Proposal Trustee and its counsel, Fogler, payable pursuant to the Administration Charge will be subject to taxation or court approval pursuant to the Proposed Order.

101. The fees and disbursements secured by the Administration Charge will be paid in the normal course as outlined in the Cash Flow Forecast.
102. As noted above, the Proposal Trustee is of the view that the Administration Charge is appropriate in these circumstances.

DIRECTORS CHARGE REVISITED

103. As noted above, to address the legitimate concerns expressed by the Companies' directors and officers with respect to their potential exposure if they continue to act (rather than resign before a significant portion of the liability can be triggered), the directors and officers have requested reasonable protection against personal liability if they are to remain and assist in these Proposal Proceedings.
104. Having the directors and officers remain and assist in the restructuring will greatly increase the prospects of a successful restructuring, which in turn will maximize value for all stakeholders.
105. In this regard, as noted above, the Companies seek the Director's Charge ranking in priority to all security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, other than the Administration Charge and the Interim Finance Charge to protect the directors and officers from all claims and liabilities that may arise after the filing date as a result of their association with the Companies.
106. As described in the Bourret Affidavit, the Companies have no unpaid and unremitted or outstanding amounts of sales taxes, deductions at source or any other amounts for which the directors and officers of the Companies might be liable. However, the proposed charge provides a contingency in the event that certain obligations arise during the restructuring proceedings or insufficient funds are advanced under the Interim Financing facilities. The Director's Charge would be only available to the Companies directors and officers in the event that any existing insurance policy does not provide coverage.
107. As noted above, the Proposal Trustee is of the view that the Director's Charge is reasonable in the circumstances.

ENHANCED POWERS OF THE PROPOSAL TRUSTEE

108. The Companies are also seeking in the Proposed Order to enhance the Proposal Trustee's powers. Specifically, the proposed enhanced powers authorize and empowers, but does not require, the Proposal Trustee to, among other things:

- (a) exercise any powers which may be properly exercised by a board of directors or any officers of the Companies to cause the Companies, through the Companies' employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") (then engaged, if any), to, without limitation:
 - (i) take any and all actions and steps, and execute all agreements, documents and writings, on behalf of, and in the name of, the Companies in order to facilitate the performance of any of the Companies' powers or obligations (collectively, the "**Companies' Powers & Obligations**");
 - (ii) engage, retain, or terminate the services of any officer, employee, consultant, agent, representative, advisor, or other persons or entities, as the Proposal Trustee deems necessary or appropriate to assist with the exercise of the Proposal Trustee's powers and duties and/or the Companies' Powers & Obligations. For greater certainty, any such officer, employee, consultant, agent, representative, advisor, or other persons or entities engaged or retained pursuant to this paragraph shall thereafter be deemed to be Assistants under the Proposed Order;
 - (iii) perform such other functions or duties, and enter into any agreements or incur any obligations, as the Proposal Trustee considers necessary or desirable in order to facilitate or assist the winding-down or liquidation of the Companies, the realization and/or sale of all of the Companies' current and future assets, undertakings and properties of every nature and kind whatsoever and wherever situate, including all proceeds thereof (the "**Property**") or the opportunity to invest by way of equity or debt in the Companies' business (the "**Business**"), the distribution of any net proceeds of the Property (the "**Proceeds**"), or any other related activities, including, without limitation, in connection with terminating this Proposal Proceedings;
 - (iv) exercise any rights of the Companies;
 - (v) grant the Proposal Trustee access to all books and records that are the property of the Companies or that are in the Companies' possession or control (the "**Books and Records**");
 - (vi) initiate, prosecute, and/or continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Companies, the Property, or the Proceeds,

and, subject to further order of this Court, to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (vii) deal with any taxing or regulatory authority, including to execute any appointment or authorization form on behalf of the Companies that any taxing or regulatory authority may require, in order to confirm the appointment of an authorized representative of the Companies (which may be a representative of the Proposal Trustee) for such purposes;
 - (viii) engage, deal, communicate, negotiate and, with further order of this Court, settle with any creditor or other stakeholder of the Companies (including any governmental authority);
 - (ix) claim any and all insurance refunds or tax refunds to which the Companies are entitled on behalf of the Companies; and
 - (x) file, or take such actions necessary for the preparation and filing of, on behalf of and in the name of the Companies, (i) any tax returns, and (ii) the Companies' employee-related remittances, T4 statements and records of employments for the Companies' former employees, in either case, based solely upon the information in the Books and Records and on the basis that the Proposal Trustee shall incur no liability or obligation to any person with respect to such returns, remittances, statements, records or other documents.
- (b) monitor the Companies' receipts and disbursements;
 - (c) subject to certain protections in favour of the Proposal Trustee as set out in the Proposed Order, review, and approve (if the Proposal Trustee deems the disbursement necessary or appropriate to maintain or facilitate the Business) all disbursements of the Companies' of \$5,000 or greater;
 - (d) report to this Court at such times and intervals as the Proposal Trustee 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;
 - (e) assist the Companies, to the extent required by the Companies, in their dissemination to BMO and its counsel on a bi-weekly basis of financial and other information as agreed to between the Companies and BMO, which may be used in

these proceedings including reporting on a basis to be agreed with BMO, including but not limited to as the foregoing may be required under the Interim Financing Term Sheet;

- (f) advise the Companies in its preparation of the Companies' cash flow statements and reporting reasonably required by BMO, which information shall be reviewed with the Proposal Trustee and delivered to BMO and its counsel on a periodic basis, but not less than bi-weekly, or as otherwise agreed to by BMO, including but not limited to as the foregoing may be required under the Interim Financing Term Sheet;
- (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 Companies, to the extent that is necessary to adequately assess the Companies' business and financial affairs or to perform its duties arising under the Proposed Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Proposal Trustee deems necessary or advisable respecting the exercise of its powers and performance of its obligations under the Proposed Order;
- (i) perform such other duties as are required by the Proposed Order or by this Court from time to time; and
- (j) take any steps reasonably incidental to the exercise by the Proposal Trustee of the powers listed above or the performance of any statutory obligations.

109. The Proposal Trustee is of the view that the proposed enhanced powers in favour of the Proposal Trustee are appropriate given operational challenges still impacting the Companies, the lack of full-time senior finance function, the Companies' incomplete and out-of-date financial records, the lack of process and controls surrounding the Companies' treasury functions and the significant workload and demands that are currently placed on Ms. Bourret to both assist the Proposal Trustee with the administration of the Proposal Proceedings and her operating the Companies' business.

CONCLUSIONS AND RECOMMENDATIONS

110. For the reasons previously stated in this First Report, the Proposal Trustee supports the relief being sought by the Companies and the Proposed Order.

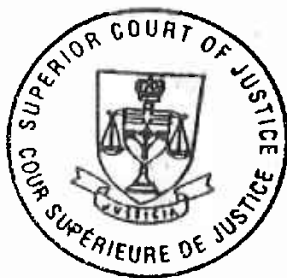
All of which is respectfully submitted this 11th day of January, 2024.

BDO CANADA LIMITED, in its capacity
as Proposal Trustee of OEM Automotive
Solutions Inc., OEM Automotive Cornwall Inc.,
and OEM Automotive Holdings Inc., and not in
its corporate or personal capacity.

A handwritten signature in black ink, appearing to read "Clark Lonergan". The signature is fluid and cursive, with the first name "Clark" and last name "Lonergan" clearly distinguishable.

Clark Lonergan, CA, CPA, CIRP, LIT
Partner/Senior Vice President

Third Report of the Proposal Trustee
Appendix “B”



District of Ontario
Division No. 12 - Ottawa
Court File No. BK-33-03025642
Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

THE HONOURABLE
JUSTICE A. KAUFMAN

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)
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WEDNESDAY, THE 17TH DAY
OF JANUARY, 2024

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY*
ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE
CORNWALL INC. AND OEM AUTOMOTIVE HOLDINGS
INC.

ORDER
(Procedural Consolidation, Stay Extension, SISP, Engagement of Sales Agent
Enhanced Trustee Powers & Court-Ordered Charges)

THIS MOTION, made by OEM Automotive Solutions Inc. ("**Solutions**"), OEM Automotive Cornwall Inc. ("**Cornwall**") and OEM Automotive Holdings Inc. ("**Holdings**", and collectively with Solutions and Cornwall, the "**Companies**") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the "**BIA**"), for an order (this "**Order**"), among other things:

- (a) if necessary, abridging the time for service and filing of the notice of motion and the motion record or, in the alternative, dispensing with the same;
- (b) administratively consolidating the estates of the Companies;

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- (c) extending the time for the Companies to file proposals under section 50.4(9) of the BIA by 45 days to and including March 5, 2024;
- (d) approving the first report of BDO Canada Limited, in its capacity as proposal trustee (in such capacity, the “Trustee”) in the Companies’ BIA proposal proceedings (collectively, the “Proposal Proceedings”), dated January 11, 2024 (the “First Report”), and approving the activities of the Trustee described in the First Report;
- (e) approving the sale and investment solicitation process (the “SISP”) attached as Schedule “B” hereto;
- (f) authorizing and approving the Trustee’s engagement of Dealer Solutions North America, Inc. (the “Sales Agent”) to assist with the implementation of the SISP;
- (g) enhancing certain powers of the Trustee;
- (h) authorizing the Companies to enter into an interim financing term sheet (the “Interim Financing Term Sheet”) with the Bank of Montreal (“BMO”), as interim lender, attached as Exhibit “V” to the Affidavit of Caroline Bourret sworn January 9, 2024 (the “Bourret Affidavit”); and
- (i) granting the super-priority Administration Charge, Directors’ Charge and Interim Financing Charge (*each as defined in this Order*),

was heard by this Honourable Court (the “Court”) on this day by way of judicial video conference in Ottawa, Ontario.

ON READING the Motion Record of the Companies, including the Bourret Affidavit and the exhibits thereto, the First Report and the appendices thereto, and on hearing the submissions of counsel for the Companies, counsel for the Trustee, counsel for BMO, and the other parties listed on the participant information form and no one else appearing although properly served as appears from the affidavit of Amanda Adamo, sworn January 10, 2024 and January 12, 2024, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

ADMINISTRATIVE CONSOLIDATION

2. **THIS COURT ORDERS** that the Proposal Proceedings of Solutions (Estate Number 33-3025642), Cornwall (Estate Number 33-3025639) and Holdings (Estate Number 33-3025645) are hereby administratively consolidated, and the Proposal Proceedings are hereby authorized and directed to continue, under the following title of proceedings, *nunc pro tunc*:

**Court File No: BK-33-03025642
Estate File No. 33-3025642**

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C., 1985, C. B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM
AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.**

3. **THIS COURT ORDERS** that the Companies shall file a copy of this Order in the Court file for each of the Proposal Proceedings but that all other or further materials in the Proposal Proceedings shall be filed with the Court only in the Solutions Estate and Court File, being Court File Number BK-33-03025642 / Estate No. 33-3025642.

4. **THIS COURT ORDERS** that the Trustee is authorized and directed to administer the Proposal Proceedings, on a consolidated basis, for all purposes in carrying out its duties and responsibilities as trustee under the BIA, including, without limitation:

- (a) sending notices to creditors of the Companies pursuant to one consolidated notice;
- (b) calling and conducting any meetings of creditors of the Companies pursuant to one combined advertisement;

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- (c) issuing consolidated reports in respect of each of the estates of the Companies;
- (d) preparing, filing, advertising and distributing any and all filings or notices relating to the administration of the estates of the Companies;
- (e) taxing its fees, and those of its counsel; and
- (f) bringing motions to this Court.

5. **THIS COURT ORDERS** that the administrative consolidation of the Proposal Proceedings shall not:

- (a) affect the separate legal status and corporate structures of any of the Companies;
- (b) cause any of the Companies to be liable to any claim for which it is otherwise not liable; or
- (c) affect the Trustee's or any creditor's right to seek to disallow any claim, including on the basis that such claim is duplicative.

EXTENSION OF TIME

6. **THIS COURT ORDERS** that the time for the filing of a proposal by the Companies is hereby extended in accordance with section 50.4(9) of the BIA up to and including March 5, 2024.

APPROVAL OF FIRST REPORT

7. **THIS COURT ORDERS** that the First Report and the actions, activities and conduct of the Trustee described therein be and are hereby approved; provided, however, that only the Trustee, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

ENHANCEMENT OF TRUSTEE'S POWERS

8. **THIS COURT ORDERS** that, without in any way limiting the powers and duties of the Trustee under the BIA, the Trustee is empowered and authorized, but not obligated, to do any of the following in the name of and on behalf of the Companies, where the Trustee considers it necessary or desirable:

(a) exercise any powers which may be properly exercised by a board of directors or any officers of the Companies to cause the Companies, through the Companies' employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, **"Assistants"**) (then engaged, if any), to, without limitation:

(i) take any and all actions and steps, and execute all agreements, documents and writings, on behalf of, and in the name of, the Companies in order to facilitate the performance of any of the Companies' powers or obligations (collectively, the **"Companies' Powers & Obligations"**):

(ii) engage, retain, or terminate the services of any officer, employee, consultant, agent, representative, advisor, or other persons or entities, as the Trustee deems necessary or appropriate to assist with the exercise of the Trustee's powers and duties and/or the Companies' Powers & Obligations. For greater certainty, any such officer, employee, consultant, agent, representative, advisor, or other persons or entities engaged or retained pursuant to this paragraph shall thereafter be deemed to be Assistants under this Order;

(iii) perform such other functions or duties, and enter into any agreements or incur any obligations, as the Trustee considers necessary or desirable in order to facilitate or assist the winding-down or liquidation of the Companies, the realization and/or sale of all of the Companies' current and future assets, undertakings and properties of every nature and kind whatsoever and wherever situate, including all proceeds thereof (the **"Property"**) or the opportunity to invest by way of equity or debt in the Companies' business (the **"Business"**), the distribution of any net proceeds of the Property (the **"Proceeds"**), or any other related activities, including, without limitation, in connection with terminating this Proposal Proceedings;

(iv) exercise any rights of the Companies;

- (v) grant the Trustee access to all books and records that are the property of the Companies or that are in the Companies' possession or control (the "**Books and Records**");
 - (vi) initiate, prosecute, and/or continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Companies, the Property, or the Proceeds, and, subject to further Order of this Court, to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
 - (vii) deal with any taxing or regulatory authority, including to execute any appointment or authorization form on behalf of the Companies that any taxing or regulatory authority may require, in order to confirm the appointment of an authorized representative of the Companies (which may be a representative of the Trustee) for such purposes;
 - (viii) engage, deal, communicate, negotiate and, with further Order of this Court, settle with any creditor or other stakeholder of the Companies (including any governmental authority);
 - (ix) claim any and all insurance refunds or tax refunds to which the Companies are entitled on behalf of the Companies; and
 - (x) file, or take such actions necessary for the preparation and filing of, on behalf of and in the name of the Companies, (i) any tax returns, and (ii) the Companies' employee-related remittances, T4 statements and records of employments for the Companies' former employees, in either case, based solely upon the information in the Books and Records and on the basis that the Trustee shall incur no liability or obligation to any person with respect to such returns, remittances, statements, records or other documents;
- (b) monitor the Companies' receipts and disbursements;

- (c) subject to the protections in favour of the Trustee set out in paragraphs 19, 20 and 21 of this Order, review, and approve (if the Trustee deems the disbursement necessary or appropriate to maintain or facilitate the Business) all disbursements of the Companies of \$5,000 or greater;
- (d) report to this Court at such times and intervals as the Trustee 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;
- (e) assist the Companies, to the extent required by the Companies, in their dissemination to BMO and its counsel on a bi-weekly basis of financial and other information as agreed to between the Companies and BMO, which may be used in these proceedings including reporting on a basis to be agreed with BMO, including but not limited to as the foregoing may be required under the Interim Financing Term Sheet;
- (f) advise the Companies in its preparation of the Companies' cash flow statements and reporting reasonably required by BMO, which information shall be reviewed with the Trustee and delivered to BMO and its counsel on a periodic basis, but not less than bi-weekly, or as otherwise agreed to by BMO, including but not limited to as the foregoing may be required under the Interim Financing Term Sheet;
- (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 Companies, to the extent that is necessary to adequately assess the Companies' business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Trustee deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (i) perform such other duties as are required by this Order or by this Court from time to time; and

(j) take any steps reasonably incidental to the exercise by the Trustee of the powers listed above or the performance of any statutory obligations.

9. **THIS COURT ORDERS** that, notwithstanding anything contained in this Order, the Trustee shall not take possession of the Property or Business 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 maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Trustee being an employer or a successor employer, within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

10. **THIS COURT ORDERS** that nothing herein contained shall require the Trustee to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, 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 of waste or other contamination including, without limitation, the *Environmental Protection Act* (Canada), the *Environmental Protection Act* (Ontario), the *Water Resources Act* (Ontario), or the *Occupational Health and Safety Act* (Ontario) and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Trustee from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Trustee shall not, as a result of this Order or anything done in pursuance of the Trustee’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

11. **THIS COURT ORDERS** that the Trustee shall provide any creditor of the Companies with the information provided by the Companies in response to reasonable requests for information made in writing by such creditor addressed to the Trustee. The Trustee 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 Trustee has been advised by the Companies is

confidential, or that the Trustee has determined must be kept confidential so as to facilitate the SISP, the Trustee shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Trustee and the Companies may agree.

APPROVAL OF SISP

Sale Procedure

12. **THIS COURT ORDERS** that the SISP, attached as Schedule "B" hereto, is approved.

13. **THIS COURT ORDERS** that the Companies and the Trustee are authorized and directed to perform their obligations under, and take such steps as they consider necessary or desirable in carrying out, the SISP; and, that any step taken by the Companies or the Trustee in connection with the SISP prior to the date of this Order is approved and ratified.

14. **THIS COURT ORDERS** that the Companies and the Trustee are authorized and directed to engage the Sales Agent on the terms of, or substantially on the terms of, the Sales Agent's consulting agreement, attached as Appendix "H" to the First Report (the "**Sales Agent Agreement**").

15. **THIS COURT ORDERS** that in conducting the SISP, the Trustee shall maintain such degree of confidentiality over the process, including but not limited to any negotiation, undertaking or offer as it deems necessary and appropriate in the circumstances.

16. **THIS COURT ORDERS** that the Trustee and the Sales Agent shall have no personal or corporate liability in connection with the SISP, including, without limitation:

(a) by advertising the SISP, including, without limitation, the opportunity to acquire all or a portion of the Property or the opportunity to invest by way of equity or debt in the Business. For greater certainty, in this Order, Property includes, without limitation, the real property legally described in Schedule "A" hereto and all proceeds thereof;

(b) by exposing the Property to any and all parties, including, but not limited to, those parties who have made their interests known to the Trustee and/or the Sales Agent;

- (c) by responding to any and all requests or inquiries regarding due diligence conducted in respect of the Companies, the Property or the Business;
- (d) through the disclosure of any and all information regarding the Companies, the Property or the Business arising from, incidental to or in connection with the SISP;
- (e) pursuant to any and all offers received by the Trustee and/or the Sales Agent in accordance with the SISP; and
- (f) pursuant to any agreements entered into by any of the Trustee acting for the Companies in respect of the sale of any of the Property or the investment in or financing of the Business.

17. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), the Companies and the Trustee are authorized and permitted to disclose personal information of identifiable individuals to prospective purchasers of the Property, investors in or financiers of the Business and their respective advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “Sale”) or investments in or financings of the Business or (each, an “Investment”). Each prospective purchaser, investor or financier to whom such information is provided shall limit the use of such information to its evaluation of the Sale or Investment, and if it does not complete a Sale or Investment, it shall return all such information to the Companies or the Trustee, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Companies, and shall return all other personal information to the Companies or the Trustee, or ensure that all other personal information is destroyed.

Duty to Cooperate with the Trustee

18. **THIS COURT ORDERS** that the Companies and all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf shall fully cooperate with the Trustee in the exercise of its powers under the BIA, this Order or any other Order of the Court, including by:

- (a) advising the Trustee of the existence of any Property of which such party has knowledge of;
- (b) providing the Trustee with immediate and continued access to any Property in such party's possession or control;
- (c) advising the Trustee of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Companies, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information ("**Records**") of which such party has knowledge of; and
- (d) providing access to and use of the Records, including any accounting, computer, software and physical facilities relating thereto, and including providing the Trustee with instructions on the use of any computer or other system as requested by the Trustee and providing the Trustee with any and all access codes, account names and account numbers that may be required to gain access to the Records, provided however that nothing in this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Trustee due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

Limitation on the Trustee's Liability

19. **THIS COURT ORDERS** that the Trustee is not and shall not, for any purposes, be deemed to be a director, officer, employee, receiver, receiver-manager, or liquidator of the Companies.

20. **THIS COURT ORDERS** that the Trustee is not and shall not for the purposes of the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.) be deemed to be a legal representative or person to whom s. 150(3) of that Act applies.

21. **THIS COURT ORDERS** that the rights, protections, indemnities, charges, priorities, and other provisions in favour of the Trustee set out in the BIA, any other applicable legislation, this Order and any other Order granted in these proceedings, all shall apply and extend to the Trustee

in connection with the Trustee carrying out the provisions of this Order, amended as necessary to give effect to the terms of this Order.

INTERIM FINANCING

22. **THIS COURT ORDERS** that the Companies are authorized and empowered to enter into the Interim Financing Term Sheet and to borrow funds from BMO, on the terms and subject to the conditions thereof, in order to finance the Companies' working capital requirements and other general corporate purposes and capital expenditures during these proceedings, provided that borrowings under such credit facility shall not exceed \$500,000, unless permitted by further Order of this Court (collectively, the **"Interim Financing Facility"**).

23. **THIS COURT ORDERS** that the Companies 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 BMO pursuant to the terms thereof, and the Companies are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to BMO under and pursuant to the Interim Financing Term Sheet and the Definitive Documents (collectively, the **"Interim Obligations"**) as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

24. **THIS COURT ORDERS** that BMO, as interim financing lender, shall be entitled to the benefit of and is hereby granted a charge (the **"Interim Financing Charge"**) over and against the Property, as security as security for the Interim Obligations, which Interim Financing Charge shall be in the aggregate amount of the Interim Obligations outstanding at any given time under the Definitive Documents. The Interim Financing Charge shall not secure an obligation that exists before this Order is made. The Interim Financing Charge shall have the priority set out in paragraph 34 of this Order.

25. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) BMO, as interim financing lender, may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Financing Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Interim Financing Term Sheet, the Definitive Documents or the Interim Financing Charge, BMO, upon five (5) days' notice to the Companies and the Trustee, may exercise any and all of its rights and remedies against the Companies or the Property under or pursuant to the Interim Financing Term Sheet, the Definitive Documents and the Interim Financing Charge, including, without limitation, to cease making advances to the Companies and set off and/or consolidate any amounts owing by BMO to the Companies against the obligations of the Companies to BMO under the Interim Financing Term Sheet, the Definitive Documents or the Interim Financing 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 Companies or any of them and for the appointment of a trustee in bankruptcy of the Companies or any of them; and
- (c) the foregoing rights and remedies of BMO, as the interim financing lender, shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Companies or the Property.

26. **THIS COURT ORDERS** that BMO, as interim lender, shall be treated as unaffected in any proposal filed by the Companies under the BIA with respect to any advances made under the Interim Financing Term Sheet or the Definitive Documents and in furtherance thereof, BMO, in its capacity as interim lender under the Interim Financing Term Sheet and the Definitive Documents, shall be unaffected by the stay of proceedings but subject to paragraph 25 of this Order.

ADMINISTRATIVE CHARGE

27. **THIS COURT ORDERS** that the Trustee, counsel to the Trustee and counsel to the Companies shall be paid their reasonable fees and disbursements (the "**Professional Fees**"), in each case at their standard rates and charges, by the Companies as part of the costs of these proceedings. The Companies are authorized and directed to pay the accounts of the Trustee,

counsel for the Trustee and counsel for the Companies on a monthly basis and, in addition, the Companies are authorized to pay to the Trustee, counsel to the Trustee, and counsel to the Companies, such retainers are agreed to among such parties to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

28. **THIS COURT ORDERS** that the Trustee and its legal counsel shall pass their accounts from time to time, and for this purpose, the accounts of the Trustee and its legal counsel are referred to a judge of the Ontario Superior Court of Justice.

29. **THIS COURT ORDERS** that the Sales Agent shall be paid such fees and commissions, and in such manner, as prescribed in the Sales Agent Agreement, subject to any further order of the Court (the “Sales Agent Fees”).

30. **THIS COURT ORDERS** that the Trustee, counsel to the Trustee, the Sales Agent and the Companies’ counsel shall be entitled to the benefit of and are granted a charge (the “Administration Charge”) over and against the Property, which charge shall not exceed an aggregate amount of \$400,000, as security for, as applicable, the Professional Fees, both before and after the making of this Order in respect of these proceedings and the Sales Agent Fees. The Administration Charge shall have the priority set out in paragraph 34 of this Order.

DIRECTORS’ CHARGE

31. **THIS COURT ORDERS** that the Companies shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Companies after the commencement of the NOI Proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director’s or officer’s gross negligence or wilful misconduct.

32. **THIS COURT ORDERS** that the directors and officers of the Companies shall be entitled to the benefit of and are granted a charge (the “Directors’ Charge”) over and against the Property, which charge shall not exceed an aggregate amount of \$100,000.00, as security for the indemnity provided in paragraph 31 of this Order. The Directors’ Charge shall have the priority set out in paragraph 34 of this Order.

33. **THIS COURT ORDERS** that, 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 Companies' 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 31 of this Order.

PRIORITY OF CHARGES

34. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors' Charge and the Interim Financing Charge as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$400,000);

Second – Interim Financing Charge (to the maximum amount of the Interim Obligations at the relevant time); and

Third – Directors' Charge (to the maximum amount of \$100,000); and

35. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge, the Directors' Charge or the Interim Financing Charge (collectively, the "**Charges**") shall not be required, and that 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.

36. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and the Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any person.

37. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Companies shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Companies also obtain the prior written consent of the Trustee and the other beneficiaries of the Charges, or further Order of this Court.

38. **THIS COURT ORDERS** that the Charges, the Interim Financing Term Sheet and the Definitive Documents 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 BMO as Interim Lender, shall not otherwise be limited or impaired in any way by:

- (a) the pendency of these proposal proceedings and the declarations of insolvency made herein;
- (b) any application(s) for bankruptcy, interim receivership or receivership order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications;
- (c) the filing of any assignments or deemed assignments for the general benefit of creditors made pursuant to the BIA;
- (d) any application made pursuant to the *Companies Creditors' Arrangement Act* or any order made pursuant to such application;
- (e) the provisions of any federal or provincial statutes; or
- (f) 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**”) which binds the Companies and notwithstanding any provision to the contrary in any Agreement

39. Notwithstanding any provision to the contrary in any Agreement:

- (a) Neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Interim Financing Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Companies of any Agreement to which it is a party;
- (b) 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 Companies entering into the Interim Financing Term Sheet or Definitive Documents, the creation of the Charges; or

the execution, delivery or performance of the Interim Financing Term Sheet or Definitive Documents;

(c) the payments made by the Companies pursuant to this Order, the Interim Financing Term Sheet, and 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, including but not limited to the BIA.

40. **THIS COURT ORDERS** that any Charge created by this Order over one or more leases of real property in Canada shall only be a Charge in the Companies' interest in such real property leases.

SERVICE & NOTICE

41. **THIS COURT ORDERS** that the Guide Concerning Commercial List E-Service (the "Guide") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 14 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website (defined in the Guide) shall be established in accordance with the Guide with the following URL: www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/oem-automotive-solutions-inc.

42. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Companies and the Trustee are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by ordinary prepaid mail, courier, personal delivery or facsimile transmission to the Companies' creditors or other interested parties at their respective addresses as last shown on the records of the Companies and that any such service or distribution by courier, personal delivery or facsimile 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.

43. **THIS COURT ORDERS** that the Companies, the Trustee and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Companies' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

44. **THIS COURT ORDERS** that the Trustee may from time to time apply to this Court for advice and directions in the discharge of its powers and duties under this Order.

45. **THIS COURT ORDERS** that nothing in this Order shall prevent the Trustee from subsequently expressly acting as an interim receiver, a receiver, a receiver and manager or a trustee in bankruptcy of the Companies, the Business or the Property.

46. **THIS COURT REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Companies, the Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Companies and the Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Trustee in any foreign proceeding or to assist the Companies, the Trustee and their respective agents in carrying out the terms of this Order.

47. **THIS COURT ORDERS** that each of the Companies and the Trustee is at liberty and is 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 Trustee is authorized and empowered to act as a representative in respect

of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

48. **THIS COURT ORDERS** that any interested party (including the Companies and the Trustee) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to all parties on the Service List and 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, provided, however, that the Chargees shall be entitled to rely on this Order as granted and on the Charges and priorities set forth in paragraph 34 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

49. **THIS COURT ORDERS** that any interested party (including the Companies and the Trustee) may apply to this Court to vary or amend this Order on not less than seven 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.

50. **THIS COURT ORDERS** that this Order is effective as of 12:01 a.m. from today's date and is enforceable without the need for entry and filing.



**HONORABLE JUSTICE
ALEXANDRE KAUFMAN**

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SCHEDULE "A"

LEGAL DESCRIPTION OF LANDS

1. Owned by OEM Automotive Cornwall Inc.

PIN 60180-0067 (LT)

PT LT 16 S/S SEVENTH ST PL CORNWALL PT 2 52R2252; CORNWALL

2. Owned by OEM Automotive Holdings Inc.

PIN 60180-0282 (LT)

PART LOT 16 SOUTH SIDE SEVENTH STREET PLAN CORNWALL, PARTS 1
AND 2, 52R4375; CITY OF CORNWALL

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SCHEDULE "B"

SALE AND INVESTMENT SOLICITATION PROCESS

[see attached]

SALE AND INVESTMENT SOLICITATION PROCESS

INTRODUCTION

1. On December 22, 2023, OEM Automotive Solutions Inc. (o/a Cornwall Volkswagen), OEM Automotive Holdings Inc. and OEM Automotive Cornwall Inc. (collectively, “**Cornwall VW**” or the “**Company**”) each filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”, and the proceedings, the “**NOI Proceedings**”). BDO Canada Limited, a licensed insolvency trustee, was appointed as proposal trustee (the “**Trustee**”) under the NOI Proceedings.
2. To further the Company’s restructuring efforts, on or about January 17, 2024, the Ontario Superior Court of Justice (the “**Court**”) granted an order (the “**Sale Process Approval Order**”) which approved, amongst other things:
 - (a) the Sale and Investment Solicitation Process (“**SISP**”) for the marketing of the Company’s business and assets, including its dealership assets (the “**Dealership Assets**”) and its owned real estate assets (together, the “**Real Property**”, and collectively with the Dealership Assets, the “**Property**”) for the purposes of soliciting (i) offers to acquire the business and assets of the Company and (ii) offers of investment in the business of the Company;
 - (b) the engagement of Dealer Solutions North America Inc. as sales agent (the “**Sales Agent**”) to assist the Trustee with carrying out the SISP; and
 - (c) the Trustee, with the assistance of the Sales Agent, to undertake the SISP.
3. The SISP herein sets out the manner in which: (a) binding offers for executable transactions involving the business and/or Property of the Company and/or the equity or all or substantially all of the Property of the Company, will be solicited from interested parties; (b) any such offers received will be addressed; (c) any Successful Bid (as defined below) will be selected; and (d) Court approval of any Successful Bid will be sought.
4. The SISP will be conducted by the Sales Agent and the Trustee in the manner set forth herein and in accordance with the Sale Process Approval Order. In the event that there is a disagreement as to the interpretation or application of the SISP, the Court will have exclusive jurisdiction to hear and resolve such dispute.
5. The Trustee will post on the Trustee’s websites, any such modification, amendment, variation or supplement to the SISP and inform the bidders impacted by the modification.

OPPORTUNITY

6. The SISP is intended to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Company’s Property (the “**Opportunity**”). The Opportunity may include one or more of a restructuring, recapitalization or other form of reorganization of the business and affairs of the Company as a going concern or a sale of all, substantially all or one or more components of the Company’s Property as a going concern or otherwise.

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7. The SISP describes the manner in which individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures, government organizations or other entities (each “**Person**”) may gain access to or continue to have access to due diligence materials concerning the Property, and how the offers involving the Property will be submitted to and dealt with by the Trustee and the Sales Agent, and how Court approval will be obtained in respect of any Transaction (as defined below).
8. The Sales Agent, with the oversight of the Trustee, intends to provide all qualified interested parties with an opportunity to participate in the SISP.
9. As described below, the various deadlines herein may be extended by and at the discretion of the Trustee, with the approval of the consulting parties (namely, the debtor-in-possession (“**DIP**”) lender, the Bank of Montreal (the “**DIP Lender**”)), in the event that it is determined that such extension will generally benefit the Company’s creditors and other stakeholders.
10. The Company’s management and/or any of the Company’s equity holders shall not be privy to any of the bid information outlined herein including the evaluation and selection of offers. The Trustee may request, at any time, written confirmation from the Company’s management and any of the Company’s equity holders as to (a) whether or not they intend to participate in the SISP and (b) disclosure of any interest or involvement any such party may have in or with any other party participating in the SISP.

“AS IS, WHERE IS BASIS”

11. Any transaction involving all or any portion of the Property (each a “**Transaction**”) will be completed with Court approval on an “as is, where is” basis and without surviving representations, warranties, covenants or indemnities of any kind, nature or description by the Company, Sales Agent, the Trustee, or any of their respective agents, estates, advisors, professionals or otherwise, except to the extent expressly set forth in the relevant Definitive Transaction Agreement (as defined herein).

TIMELINE

12. The SISP shall commence immediately following the issuance of the Sale Process Approval Order. The table below sets out subsequent key deadlines in the SISP that interested parties should note (terms within the table are defined in subsequent paragraphs):

<u>Milestone</u>	<u>Deadline</u>
Go to market	Monday, January 29, 2024

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Expression of Interest Date (EOI Deadline)	Thursday, February 29, 2024 (5:00 PM Eastern Time)
EOI Offer Selection Date	Tuesday, March 5, 2024
Binding Letter of Intent Date (LOI Deadline)	Friday, March 15, 2024 (5:00 PM Eastern Time)
Offer Selection Date	Tuesday, March 19, 2024
Definitive Transaction Agreement	Wednesday, April 3, 2024
Hearing of the Sale Approval Motion / Transaction Execution Date	Subject to availability of the Court
Closing the Transaction (outside date)	No later than Tuesday, April 30, 2024

Solicitation of Interest: Notice of the SISP

13. As soon as reasonably practicable, but in any event by no later than Monday, January 29, 2024:
 - (a) The Sales Agent, with approval of the Trustee, will prepare a list of potentially interested parties, including (i) parties that have approached the Company, Trustee or the Sales Agent indicating an interest in the Opportunity, and (ii) local and international strategic and financial parties who the Sales Agent with the approval of the Trustee, believe may be interested in purchasing all or part of the Property or investing in the Company pursuant to the SISP (the “Known Potential Bidders”); and
 - (b) the Sales Agent, with the approval of the Trustee, 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 Trustee, and the Company (the “NDA”).
14. The Sales Agent will send the Teaser Letter and NDA to all Known Potential Bidders, and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Company or the Sales Agent as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Potential Bidders and Due Diligence Materials

15. Any party who wishes to participate in the SISP (a “Potential Bidder(s)”) must provide to the Sales Agent an executed NDA, and which shall inure to the benefit of any purchaser of the business or Property of the Company, or any portion thereof, and a letter setting forth the identity of the Potential Bidder, the contact information for such

Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.

16. The Sales Agent, with the approval of the Trustee, shall in their reasonable business judgment and subject to competitive and other business considerations, afford each Potential Bidder who has signed and delivered the NDA to the Sales Agent and provided information as to their financial wherewithal to close a transaction, such access to due diligence material and information relating to the Property as the Sales Agent and the Trustee deem appropriate.
17. Due diligence shall include access to a virtual data room ("VDR") containing information about the Company, including its Property, and may also include management presentations, on-site inspections, and other matters which a Potential Bidder may reasonably request and as to which the Company, in their reasonable business judgment and after consulting with the Sales Agent and Trustee, may agree. The Sales Agent will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Potential Bidders and the manner in which such requests must be communicated.
 - (a) A statement of qualification ("SoQ") which addresses the financial capabilities, operational capabilities and ownership details of a Potential Bidder may be required to gain access to the VDR. This will be determined by the Sales Agent with the approval of the Trustee.
18. Neither the Sales Agent nor the Company will be obligated to furnish any information relating to the Property to any person other than to Potential Bidders. Furthermore, and for the avoidance of doubt, select due diligence materials may be withheld from certain Potential Bidders if the Sales Agent, with the approval of the Trustee, determines such information to represent proprietary or sensitive competitive information. Neither the Sales Agent, the Trustee or the Company is responsible for, and will bear no liability with respect to, any information provided and obtained by any party in connection with the sale of the Property.
19. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property in connection with their participation in the SISP and any transaction they enter into with the Company.

Non-Binding Expressions of Interest

20. To be considered for inclusion in the next round of the process, Expressions of Interest ("EOI") should describe in sufficient detail all material matters relating to the proposed Transaction. EOI's must be received by the Trustee and Sales Agent at the address specified in Schedule "1" hereto (including by e-mail) not later than **5:00 PM (Eastern Time) on February 29, 2024**, or as may be modified in the bid process letter that may be circulated by the Sales Agent to Potential Bidders, with the approval of the Trustee. While EOI's may be non-binding, at a minimum an EOI should include clear statements with respect to the following information:
 - (a) Identity of the entity or entities acquiring the Company (i.e., if acquiring the Company indirectly, through a subsidiary, a limited partnership or other entity), including the identity of any entity that controls such acquiring entity. Additionally, given the nature of this Company's business, the EOI must state the

individual/party that will be the dealer principal with Volkswagen Canada (“VW”);

- (b) Cash purchase price (in Canadian dollars) that is to be paid in connection with the Transaction, including an explanation of the methods and key assumptions used to determine the purchase price (the “**Purchase Price**”);
- (c) Indication of deal structure, including but not limited to: an investment in Cornwall VW (shares, preferred shares, debt purchase, etc., an “**Investment Proposal**”) or an acquisition of all, substantially all or a portion of the Property (outright purchase of the shares of Cornwall VW, “**Share Purchase Agreement**” or purchase of select, or all or substantially all of the assets of Cornwall VW, “**Asset Purchase Agreement**”, together a “**Sale Proposal**”);
- (d) Proposed financing for the Transaction and, if other than internal funds, the expected sources of such financing, the expected timing for commitment of funds and the steps required to secure such commitment;
- (e) Nature of additional diligence required before entering into a binding LOI with Cornwall VW;
- (f) Assumptions and intentions with respect to retention of management and employees;
- (g) Outline any regulatory, shareholder, lender or other third-party approvals that would be required or potentially required and the estimated timetable required to conclude a Transaction and whether the EOI is conditional on any other items;
- (h) Any conditions to closing or any other terms and conditions that would be required in order to complete the Transaction;
- (i) Contact Information for those persons who should be contacted with respect to the EOI; and
- (j) Disclosure of any other matters that may be helpful in the evaluation of the EOI and complete the Transaction on a timely basis.

Evaluation and Selection of EOIs

- 21. An EOI will be evaluated based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such bid, (ii) the identity, circumstances and ability of the Potential Bidder to successfully complete such transactions, (iii) the proposed transaction documents, (iv) factors affecting the speed, certainty and value of the transaction, (v) the assets included or excluded from the bid, (vi) any related restructuring costs, and (vii) the likelihood and timing of consummating such transaction, each as determined by the Sales Agent, the Trustee and the DIP Lender.
- 22. The Sales Agent shall notify each Potential Bidder who submitted an EOI in writing as to whether its EOI was selected to continue in the SISP (the “**Selected EOIs**”) by no later than **Tuesday March 5, 2024**, or at such later time as the Sales Agent and Trustee deems appropriate, with the approval of the DIP Lender.

Binding Letters of Intent

23. Potential Bidders with Selected EOs that wish to make a formal offer to purchase or make an investment in the Company or its Property (a **"Bidder"**) shall submit a binding Letter of Intent (a **"LOI"**) that complies with all of the following requirements of the Trustee and the Sales Agent at the Trustee's and Sales Agent's address specified in Schedule "1" hereto (including by e-mail), so as to be received by the Trustee and Sales Agent not later than **5:00 PM (Eastern Time) on Friday March 15, 2024** or as may be modified in the bid process letter that may be circulated by the Sales Agent to Potential Bidders, with the approval of the Trustee and its stakeholders (the **"LOI Deadline"**):
- (a) the LOI must be either a binding offer to make:
 - (i) a Sale Proposal to acquire all, substantially all or a portion of the Property (outright purchase of the shares of Cornwall VW, or purchase of select, or all or substantially all of the Property of Cornwall VW); and/or
 - (ii) an Investment Proposal for an investment in, restructure, recapitalization or reorganize of the Company (shares, preferred shares, debt purchase, etc.).
 - (b) the LOI (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 Company or its Property and is consistent with any necessary terms and conditions established by the Sales Agent and the Trustee and communicated to Bidders;
 - (c) the LOI includes a letter stating that the Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;
 - (d) the LOI includes draft mark-ups of the transaction agreements included in the VDR, including the purchase price (by major asset type/legal entity), investment amount and any other key economic terms expressed in Canadian dollars, together with all exhibits and schedules thereto;
 - (e) the LOI includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Trustee and the Sales Agent to make a determination as to the Bidder's financial and other capabilities to consummate the proposed transaction;
 - (f) the LOI is not conditional on (i) the outcome of unperformed due diligence by the Bidder, or (ii) obtaining financing, or (iii) the Company receiving the required approvals or amendments relating to the supply management, distribution and licence agreements required to operate the dealership (other than the dealer principal individual/party approval by VW);
 - (g) the LOI fully discloses the identity of each entity that will be entering into the Transaction or the financing, or that is otherwise participating or benefiting from such bid (including the dealer principal individual/party with VW);
 - (h) for a Sale Proposal, the LOI includes:
 - (i) the Purchase Price in Canadian dollars (by major asset type/legal entity) and a description of any non-cash consideration, including details of any

- liabilities to be assumed by the Bidder and key assumptions supporting the valuation;
 - (ii) a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
 - (iii) a specific indication of the financial capability of the Bidder and the expected structure and financing of the transaction;
 - (iv) a description of the conditions and approvals required to complete the closing of the transaction;
 - (v) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and which such liabilities and obligations it does not intend to assume;
 - (vi) any other terms or conditions of the Sale Proposal that the Bidder believes are material to the transaction; and
 - (vii) a commitment by the Bidder to provide a non-refundable deposit, the greater of: an amount of not less than 10% of the Purchase Price offered or \$250,000, upon the Bidder being selected as the Successful Bidder.
- (i) for an Investment Proposal, the LOI includes:
- (i) a description of how the Bidder proposes to structure the proposed investment, restructuring, recapitalization, or reorganization, and a description of any non-cash consideration;
 - (ii) the aggregate amount of the equity and/or debt investment to be made in the business or the Company in Canadian dollars;
 - (iii) the underlying assumptions regarding the pro forma capital structure;
 - (iv) a specific indication of the sources of capital for the Bidder and the structure and financing of the transaction;
 - (v) a description of the conditions and approvals required to complete the closing of the transaction;
 - (vi) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and those liabilities and obligations it does not intend to assume;
 - (vii) any other terms or conditions of the Investment Proposal; and
 - (viii) a commitment by the Bidder to provide a non-refundable deposit, the greater of: an amount of not less than 10% of the total new investment contemplated or \$250,000, upon the Bidder being selected as the Successful Bidder.
- (j) the LOI includes acknowledgements and representations of the Bidder that the Bidder:
- (i) has had an opportunity to conduct any and all due diligence regarding the Property, and the Company prior to making its offer;
 - (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

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- (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether expressed, implied, statutory, or otherwise, regarding the Company, or the Property, or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Company;
 - (k) the LOI is received by the LOI Deadline; and
 - (l) the LOI contemplates closing the transaction set out therein no later than **Tuesday, April 30, 2024**, subject to obtaining Court approval and VW's approval of the dealer principal.
- 24. Following the LOI Deadline, the Sales Agent, the Trustee and the DIP Lender will assess the LOIs received. The Sales Agent, with the approval of the Trustee, will designate the most competitive LOIs that comply with the foregoing requirements to be "**Qualified Bids**". Only Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).
- 25. The Sales Agent shall notify each Bidder in writing as to whether its LOI constitutes a Qualified Bid by no later than **Tuesday March 19, 2024**, or at such later time as the Trustee deems appropriate.
- 26. The Trustee, in consultation with the Sales Agent and the DIP Lender, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant LOIs to be a Qualified Bid.
- 27. In the event that the Trustee, in consultation with the Sales Agent, is not satisfied with the number or terms of the Qualified Bids, the Trustee may, in consultation with the Sales Agent and DIP lender, extend the Bid Deadline, or may seek Court approval for amendments to the SISF.
- 28. The Trustee may, in consultation with the Sales Agent, aggregate separate Bids from unaffiliated Bidders to create one Qualified Bid.

Evaluation of Competing Bids

- 29. A Qualified Bid will be evaluated based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such bid, (ii) the identity, circumstances and ability of the Bidder to successfully complete such transactions, (iii) the proposed transaction documents, (iv) factors affecting the speed, certainty and value of the transaction, (v) the assets included or excluded from the bid, (vi) any related restructuring costs, and (vii) the likelihood and timing of consummating such transaction, each as determined by the Sales Agent, the Trustee and the DIP Lender.

Selection of Successful Bid

- 30. The Trustee, in consultation with the Sales Agent and the DIP Lender, will:
 - (a) review each Qualified Bid with consideration of the following:

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- (i) the amount of consideration being offered, and, if applicable, the proposed form, composition, and allocation of same;
 - (ii) the value of any assumption of liabilities or waiver of liabilities;
 - (iii) the likelihood of VW accepting the purchaser and identified individual/party as the dealer principal;
 - (iv) the likelihood of the Bidder's ability to close a transaction by **April 30, 2024** (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments and required governmental or other approvals); the likelihood of the Court's approval of the Successful Bid, if required; the net benefit to the Company; and
 - (v) any other factors the Company may, consistent with its fiduciary duties, reasonably deem relevant.
- (b) identify and select the highest or otherwise best bid received (the "**Successful Bid**", and the Bidder making such bid, the "**Successful Party**"), and notify or inform the Successful Party that its bid or Qualified Bid is the Successful Bid.
31. The Successful Party shall complete and execute all agreements, contracts, instruments or other documents including the Definitive Transaction Agreement evidencing and containing the terms and conditions upon which the Successful Bid was made by **Wednesday April 3, 2024**, unless extended by the Trustee, in consultation with and approval from the DIP lender, subject to the milestones or deadlines set forth in paragraph 12.

Sale Approval Motion Hearing

32. A Court date will be scheduled to hear a motion to approve any Transaction with the Successful Party (the "**Sale Approval Motion**"). At the Sale Approval Motion, the Trustee or the Company shall seek, among other things, approval from the Court to consummate the Successful Bid. All Qualified Bids other than the Successful Bid, if any, shall be deemed to be rejected by the Trustee and/or Sales Agent on and as of the date of approval of the Successful Bid by the Court.

Confidentiality and Access to Information

33. All discussions regarding a Sale Proposal, Investment Proposal, or bid in the SISP should be directed through the Sales Agent. Under no circumstances should the Management of the Company be contacted directly without the prior consent of the Sales Agent. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP.
34. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Bidders, Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Company, the Sales Agent and such other bidders or Potential Bidders in connection with the SISP, except to the extent the Trustee, with the approval of the Sales Agent and

consent of the applicable participants, are seeking to combine separate bids from Potential Bidders or Bidders.

35. Following the LOI Deadline, copies of all LOIs shall be shared by the Sales Agent and the Trustee with the DIP Lender for its exclusive review.

Supervision of the SISP

36. The Sales Agent shall conduct the SISP, with the oversight of the Trustee in the manner set out in this SISP procedure and is entitled to receive all information in relation to the SISP.
37. This SISP does not and will not be interpreted to create any contractual or other legal relationship between the Company or the Sales Agent or the Trustee and any Potential Bidder, any Bidder, or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Company and/or Trustee.
38. Without limiting the preceding paragraph, the Sales Agent and Trustee shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Bidder, the Successful Bidder, the Company, or any other creditor or other stakeholder of the Company, for any act or omission related to the process contemplated by this SISP, except to the extent such act or omission is the result of gross negligence or wilful misconduct of the Sales Agent or Trustee. By submitting a bid, each Bidder shall be deemed to have agreed that it has no claim against the Sales Agent and Trustee for any reason whatsoever, except to the extent that such claim is the result of gross negligence or wilful misconduct of the Sales Agent or Trustee.
39. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
40. Notwithstanding the process and deadlines outlined above with respect to the SISP, with the prior consent of the DIP Lender, the Sales Agent and the Trustee may at any time: (i) pause, terminate, amend or modify the SISP; (ii) remove any portion of the business and the Property from the SISP; (iii) bring a motion to the Court to seek approval of a sale of, or investment in, all or part of the Property or the business whether or not such sale or investment is in accordance with the terms or timelines set out in the SISP; and (iv) establish further or other procedures for the SISP, provided that the service list in the NOI Proceedings shall be advised of any substantive modification to the procedures set forth herein.

Schedule "1"

Address of the Trustee and Sales Agent

To the Trustee:

BDO Canada Limited
20 Wellington East
Suite 500
Toronto, Ontario
M5E 1C5

Attention: Clark Lonergan or Peter Naumis

Email: clonergan@bdo.ca

Email: pnaumis@bdo.ca

To the Sales Agent:

Dealer Solutions North America Inc.
305 Renfrew Drive, #202
Markham, Ontario
L3R 9S7

Attention: John Raymond or Etienne Demeules

Email: john.raymond@dsma.com

Email: etienne.demeules@dsma.com

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C., 1985, C. B-3, AS AMENDED

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF OEM AUTOMOTIVE CORNWALL INC.

Court File No. BK-23-03025639-0033

Bankruptcy Estate File No. 33-3025639

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)**

**ORDER
(INITIAL NOI RELIEF)**

LOOPSTRA NIXON LLP
135 Queens Plate Drive – Suite 600
Toronto, ON M9W 6V7

R. Graham Phoenix
Tel: (416) 746-4710
Fax: (416) 746-8319
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*Lawyers for OEM AUTOMOTIVE CORNWALL INC.,
OEM AUTOMOTIVE HOLDINGS INC. AND OEM
AUTOMOTIVE SOLUTIONS INC.*

Third Report of the Proposal Trustee
Appendix “C”

THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM AUTOMOTIVE HOLDINGS INC.

Court File No. BK-33-03025642
Bankruptcy Estate File No. 33-3025642

January 17, 2024

ENDORSEMENT

On December 22, 2023, OEM Automotive Solutions Inc., OEM Automotive Cornwall Inc., and OEM Automotive Holdings Inc. (collectively “the Companies”) initiated proceedings by filing a notice of intention (NOI) to file a proposal under section 50.4 of the *Bankruptcy and Insolvency Act*. Operating a Volkswagen dealership in Cornwall, ON, the Companies faced financial strain in late 2023 due to a shareholder dispute, resulting in liquidity constraints. BMO, the primary creditor, formally demanded repayment on December 13, 2023. Unable to settle their debts, the Companies deemed these proceedings as the optimal means to preserve and realize value for all stakeholders. BMO proposed to act as the interim lender, offering additional funds to sustain the Companies' operations during the restructuring.

The Companies seek relief under six different headings, each warranting individual consideration. Submissions were made by BMO, the proposal trustee, and the companies' supportive shareholders, without opposition from any creditors.

1. Administrative consolidation of the Companies' NOI proceedings under a single title of proceeding.

The court acknowledges the high integration of the companies' operations and concurs that consolidating the proceedings secures the most expeditious and cost-effective determination of the matter on its merits.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)**

Proceedings commenced at Ottawa

**MOTION RECORD OF
OEM AUTOMOTIVE CORNWALL INC.,
OEM AUTOMOTIVE SOLUTIONS INC.,
AND OEM AUTOMOTIVE HOLDINGS INC.
(returnable January 17, 2024 @ 2:00pm)**

LOOPSTRA NIXON LLP
130 Adelaide Street West – Suite 2800
Toronto, ON M5H 3P5

R. Graham Phoenix / Shahrzad Hamraz
Tel: (416) 748 4776 / (416) 748 5116
Fax: (416) 746 8319
Email: gphoenix@LN.law / shamraz@LN.law

Lawyers for OEM Automotive Cornwall Inc. OEM Automotive Solutions Inc., and OEM Automotive Holdings Inc.

ENDORSEMENT (continued) page 2/3

2. Approval of the sale and investment solicitation process (SISP).

A SISP, developed with the assistance of the proposal trustee, BDO Canada, and with input from the shareholders and BMO, envisages engaging a sales agent for identification and solicitation of potential buyers. The Companies also seek approval to enhance the authority of the proposal trustee, arguing that such powers are necessary given potential bids from both shareholders. Granting enhanced powers, they contend, ensures impartial administration of the SISP and aims to maximize value for all stakeholders. The court deems the SISP necessary to evaluate the advantages of selling the business as a going concern compared to other options and hereby approves it.

3. Approval of interim financing term sheet and granting of interim financing charge.

BMO has offered a debtor-in-possession loan of \$500,000 to the Companies, and they seek approval of the interim financing term sheet. In addition, an interim financing charge is requested, ranking ahead of all other claims except the administration charge, pursuant to section 50.6 of the BIA. The court, considering section 50.6(5) factors, deems the charge necessary for financing the SISP and sustaining business operations during restructuring.

4. Administrative charge.

A \$400,000 administrative charge is sought to secure professionals' fees and disbursements engaged by the proposal trustee during proceedings. Section 64.2 of the BIA provides jurisdiction for such a charge. The court agrees that these professionals are essential to successful restructuring, and the charge ensures their participation.

5. Directors' charge.

A \$100,000 director's charge is sought to secure indemnification for possible liabilities incurred by directors and officers under section 64.1 of the BIA. The court agrees that directors' involvement is critical, and the charge is deemed fair and reasonable.

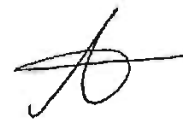
6. Extension of time for the companies to file a proposal.

The Companies request an extension until March 5, 2024, to file a proposal, with the current stay of proceedings expiring on January 20, 2024.

ENDORSEMENT (continued) page 3/3

Section 50.4(9) of the BIA allows the court to extend this time. The court deems the extension necessary for the Companies to execute the SISP and make a viable proposal, and considers that the extension would not cause material prejudice to any creditors.

Based on the foregoing reasons, the Companies' motion is granted.



Justice A. Kaufman

Third Report of the Proposal Trustee
Appendix “D”

District of Ontario
Division No. 12 - Ottawa
Court File No. BK-33-03025642
Estate No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS
AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.

SECOND REPORT OF THE PROPOSAL TRUSTEE
February 21, 2024

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LIST OF APPENDICES

- Appendix A - First Report of the Proposal Trustee dated January 11, 2024 (without appendices)
- Appendix B - Initial Court Order dated January 17, 2024
- Appendix C - Endorsement of Justice Kaufman dated January 17, 2024
- Appendix D - Cash Flow Forecasts for the period December 22, 2023 to April 14, 2024
- Appendix E - Cash Flow Variance Analysis for the 7-week period ending February 11, 2024
- Appendix F - Fee Affidavit of Clark Lonergan, sworn February 21, 2024
- Appendix G - Fee Affidavit of Scott Venton, sworn February 21, 2024

INTRODUCTION

1. On December 22, 2023 (the “**Filing Date**”), OEM Automotive Solutions Inc. (“**Solutions**”), OEM Automotive Cornwall Inc. (“**Cornwall**”), and OEM Automotive Holdings Inc. (“**Holdings**”, collectively with Solutions and Cornwall, the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI(s)**”) pursuant to section 50.4 of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited (“**BDO**”), a Licensed Insolvency Trustee, was named proposal trustee (the “**Proposal Trustee**”) in each of the Companies’ proposal proceedings (collectively, the “**Proposal Proceedings**”).
2. On January 11, 2024, the Proposal Trustee prepared a report (the “**First Report**”) to the Ontario Superior Court of Justice (the “**Court**”) in advance of the Companies’ motion (the “**Motion**”) to a judge on January 17, 2024. A copy of the First Report without appendices is attached hereto as **Appendix “A”**.
3. On January 17, 2024, the Court issued an order (the “**Initial Order**”) to grant the following material relief:
 - (a) the administrative consolidation of the three NOI proceedings;
 - (b) extension of the time to file a proposal pursuant to s 50.4(9) of the BIA, up to and including March 5, 2024;
 - (c) approval of the First Report of the Proposal Trustee dated January 11, 2024, and the actions, activities and conduct of the Proposal Trustee, as described in the First Report;
 - (d) approval of a Sale and Investment Solicitation Process (the “**SISP**”), to be administered by the Proposal Trustee;
 - (e) the enhancement of certain powers of the Proposal Trustee to facilitate the SISP and also to mitigate a dispute among shareholders;
 - (f) approval of interim financing, funded by the Companies’ senior secured lender, Bank of Montreal (“**BMO**”), along with an interim financing charge to secure the Companies’ obligations under the interim financing facility (“**Interim Financing Loan**”);
 - (g) approval of the Proposal Trustee’s engagement of Dealer Solutions North America Inc. (the “**Sales Agent**”) to assist with the implementation of the SISP;
 - (h) an administrative charge to secure payment of the Proposal Trustee, Sales Agent, and other key insolvency professionals; and

- (i) a directors' charge to secure the Companies obligation to indemnify the directors and officers for post-filing liabilities that may arise.

A copy of the Initial Order and Endorsement is attached hereto as **Appendix "B"** and **Appendix "C"** respectively.

PURPOSE

4. The purpose of this second report of the Proposal Trustee (the **"Second Report"**) is to advise the Court with respect to:
 - (a) the Companies' operations since the date of the First Report;
 - (b) the Proposal Trustee's activities since the First Report;
 - (c) an update on the SISP;
 - (d) the Companies' actual cash flow results for the 7-weeks ended February 11, 2024 versus the same budgeted period as outlined in the Companies' cash flow forecasts for the period December 22, 2023 to April 14, 2024 (the **"Cash Flow Period"**), separately for each of the Companies (the **"Cash Flow Forecasts"**) projections and the Proposal Trustee's comments regarding the variances. Copies of the Cash Flow Forecasts are attached hereto as **Appendix "D"**;
 - (e) fees and disbursements of the Proposal Trustee and its counsel;
 - (f) the Companies' motion to seek an order (the **"Proposed Order"**) to:
 - (i) extend the time for the Companies to file proposals under section 50.4(9) of the BIA by 45 days to and including April 14, 2024;
 - (ii) approve the Second Report, and the actions, activities and conduct of the Proposal Trustee as described in the Second Report; and
 - (iii) approve the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Second Report and the fee affidavits appended to the Second Report (the **"Fee Affidavits"**); and
 - (g) the Proposal Trustee's recommendations on the relief being sought by the Companies.
5. The Proposal Trustee understands that the Companies will be relying on the affidavit of Ms. Caroline Bourret (**"Ms. Bourret"**) sworn February 21, 2024 (the **"Second Bourret Affidavit"**) in support of the relief sought in the Proposed Order.

6. The Second Bourret Affidavit, and all other materials filed with the Court in these Proposal Proceedings are accessible on the Proposal Trustee's websites at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/oem-automotive-solutions-inc> (the "Proposal Trustee's Websites").
7. This Second Report should be read in conjunction with the Second Bourret Affidavit. Additional background and financial information with respect to the Companies was provided in the First Report and the first Bourret Affidavit sworn January 9, 2024.

TERMS OF REFERENCE

8. In preparing this Second Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Companies, discussions with management of the Companies ("Management"), and information from other third-party sources (collectively, the "Information"). Except as described in the First Report in respect of the Cash Flow Forecasts:
 - (a) the Proposal Trustee has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("GAAS") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
 - (b) some of the Information referred to in this Second Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.
9. Future oriented financial information referred to in this Second Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variation could be significant.

10. Unless otherwise indicated, the Proposal Trustee's understanding of factual matters expressed in this Second Report concerning the Companies and their business is based on the Information, and not independent factual determinations made by the Proposal Trustee.
11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

THE COMPANIES' OPERATIONS

12. Since the First Report, the Companies Management have been taking steps and focusing on stabilizing the operations. Management, with the assistance of the Proposal Trustee, has engaged in various discussions with stakeholders, suppliers, customers, and employees. As of the date of this Second Report, the Companies have maintained their business operations without significant disruption or issues.
13. Further details concerning the Companies' activities are set forth in the Second Bourret Affidavit.

PROPOSAL TRUSTEE'S ACTIVITIES

14. Since the date of the First Report, the Proposal Trustee has undertaken the following activities:
 - (a) attended the Companies' first motion, which occurred on January 17, 2024;
 - (b) uploaded all court materials and certain other relevant documents, including the SISP update, to the Proposal Trustee's Website;
 - (c) engaged with its legal counsel, Fogler, Rubinoff LLP ("**Fogler**"), regarding matters related to these Proposal Proceedings;
 - (d) monitored the Companies' receipts and disbursements on a weekly basis;
 - (e) participated in various calls with the Companies' external accounting/finance consultants regarding the status of the Companies' books and records;
 - (f) continued to monitor the Companies' vehicle sales and repayments to ensure no additional financed vehicles are sold in violation ("**SIV**"), in which sale proceeds are used to fund business operations instead of paying down the financing facility as required;
 - (g) continued to assist the Companies with stakeholder communications;
 - (h) continued to respond to calls, e-mails and letters received from creditors and other parties;

- (i) assisted the Companies in maintaining supplier/services from certain suppliers;
- (j) assisted the Companies' in setting up the count procedures for the parts inventory count;
- (k) reviewed the Companies' registrant information number ("**RIN**") vehicle listing;
- (l) participated in and facilitated various discussions with Volkswagen Canada ("**VW**") and its legal counsel;
- (m) corresponded with shareholders and/or their respective legal counsel;
- (n) reviewed the Companies' actual cash receipts and disbursements and variances to budget for the same time period as outlined in the Cash Flow Forecasts;
- (o) various correspondence with BMO regarding the bi-weekly reporting as outlined in the Interim Financing Loan term sheet;
- (p) assisted the Companies with interim funding requests;
- (q) review of BMO's security position and discussion with respective counsel regarding the same;
- (r) assisted with the preparation of the SISP and related materials, including:
 - (i) supervised and assisted with activities related to the SISP;
 - (ii) reviewed and refined the perspective purchaser list;
 - (iii) reviewed and assisted in drafting the teaser document, confidential information memorandum (the "**CIM**"), and non-disclosure agreement (the "**NDA**");
 - (iv) set up a virtual data room ("**VDR**"), compiled financial and operational information to aid potential purchasers in their due diligence process;
 - (v) drafted SISP process letter;
 - (vi) drafted expression of interest ("**EOI**") bid sheet to help potential purchasers submit EOI;
 - (vii) worked with Fogler to draft the asset purchase agreement ("**APA**");
 - (viii) initiated new real estate appraisals and environmental assessments;
 - (ix) various correspondence with the Sales Agent to address any due diligence questions and SISP inquiries Potential Purchasers had; and

- (x) provided updates to BMO regarding the SISP.
 - (s) prepared this Second Report; and
 - (t) attended to other matters pertaining to the administration of these Proposal Proceedings.
15. The Proposal Trustee is requesting approval of this Second Report and the activities of the Proposal Trustee described herein.

SALES PROCESS UPDATE

16. Immediately following the issuance of the Initial Order on January 17, 2024, which included the Court's approval of the SISP, the Sales Agent, among other things, has:
- (a) canvased the market and prepared a list of potentially interested parties, including:
 - (i) posted the opportunity for a sale of, or investment in, all or part of the Companies' property (the "**Opportunity**") on its own website and LinkedIn account;
 - (ii) emailed the Opportunity to over 4000+ dealers from its own database; and
 - (iii) included parties that had approached the Companies, Proposal Trustee, VW or the Sales Agent indicating an interest in the Opportunity.
 - (b) prepared a process summary (the "**Teaser Letter**") describing the Opportunity;
 - (c) prepared a CIM detailing the financial and operational information of the Companies;
 - (d) worked with the Proposal Trustee and Management to populate the VDR with financial and operational documents that may be required for the due diligence process; and
 - (e) sent the Teaser Letter and NDA to interested parties;
17. 63 parties were identified through the above marketing process (the "**Known Potential Bidders**") and out of these Known Potential Bidders, 37 parties are interested, 32 parties have signed NDAs and have showed an active interest in participating in the SISP.
18. As of the date of this Second Report, the Proposal Trustee has already received a nonbinding EOI from one (1) of the Known Potential Bidders in advance of the February 29, 2024 EOI bid date ("**EOI Bid Date**").

19. Given the level of interest and feedback to date, the Sales Agent expects to receive multiple EOIs by the EOI Bid Date. These EOIs will then be assessed by the Proposal Trustee and Sales Agent and shortly thereafter, the respective parties will be notified if they have selected to participate in the next phase of the SISP.

CASH FLOW PROJECTIONS

20. The Proposal Trustee has reviewed the actual cash flow from operations for the seven-week period ending February 11, 2024, through monitoring the banking activities of the Companies.
21. The Companies' actual cash flow from operations for the seven-week period ending February 11, 2024, exceeded the corresponding Cash Flow Forecasts amounts for that same period by approximately \$475,382. This positive variance is largely due to approximately \$350,000 in collection from higher vehicle sales (of this amount, approximately \$248,000 was from the sale of seven (7) vehicles, in which sale proceeds were used to repay the corresponding floor line financing facilities during the week of February 18, 2024) and approximately \$125,000 was in delayed payment to professionals, both of which are primarily timing differences expected to reverse in the coming weeks. A summary of the variance analysis regarding the same are attached hereto as **Appendix "E"**.
22. The Cash Flow Forecasts project that during the Cash Flow Period, the Companies should have sufficient financing to operate and for the Proposal Trustee to implement the SISP, given the positive timing variances experienced to date and via funding from the Interim Financing Loan. Consistent with the Cash Flow Forecasts, \$225,000 has been advanced to the Companies from the Interim Financing Loan to date.

APPROVAL OF THE PROPOSAL TRUSTEE'S FEES AND DISBURSEMENTS

23. The Proposal Trustee and its legal counsel, Fogler, have been paid their fees and disbursements at their standard rates and charges by the Companies from time to time, as part of the costs of the Proposal Proceedings.
24. The Proposal Trustee and Folger have maintained records of their professional time and costs. The Proposal Trustee now requests approval of its interim fees and disbursements for the period from December 22, 2023 to January 19, 2024, and the interim fees and disbursements for Folger for the period from December 28, 2023 to January 26, 2024.
25. The total interim fees and disbursements of the Proposal Trustee for the period of December 22, 2023 to January 19, 2024 total \$146,601.65, including fees in the amount of \$124,373.00, disbursements in the amount of \$5,362.97, and HST in the amount of \$16,865.68, as more

particularly described in the affidavit of Clark Lonergan sworn February 21, 2024 (the “**Lonergan Fee Affidavit**”), a copy of which is attached hereto as **Appendix “F”**.

26. The total interim fees and disbursements of Fogler principally from, December 28, 2023 to January 26, 2024 total \$53,145.12, including fees in the amount of \$46,575.00, disbursements in the amount of \$464.13, and HST in the amount of \$6,105.99, as more particularly described in the affidavit of Scott Venton sworn February 21, 2024 (the “**Venton Fee Affidavit**”), a copy of which is attached hereto as **Appendix “G”**. In its invoice to the Proposal Trustee dated January 30, 2024, a copy of which is attached as an exhibit to the Venton Fee Affidavit, Fogler's has provided a courtesy discount in the amount of approximately \$5,339 and has discounted its hourly rates.
27. The Proposal Trustee respectfully submits that the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Fee Affidavits, are reasonable in the circumstances and have been validly incurred in accordance with Proposal Proceedings. Accordingly, the Proposal Trustee respectfully requests the approval of the fees and disbursements of the Proposal Trustee and that of its counsel, as set out in this Second Report.

THE RELIEF AND ORDER BEING SOUGHT BY THE COMPANIES

Proposed Stay Extension

28. Under the BIA, the current stay of proceedings will expire on March 5, 2024 (the “**Stay Period**”).
29. The Companies seek an extension of time to file a proposal for an additional approximate 45 days to and including April 14, 2024 (“**Proposed Stay Extension**”). The Proposed Stay Extension should continue to permit the Proposal Trustee and its Sales Agent to advance the SISP. Without the Proposed Stay Extension, the Companies will not be in a position to carry out the SISP or, if deemed advantageous, make a viable proposal to their creditors and will become bankrupt to the detriment of their stakeholders.
30. It is the Proposal Trustee’s view, based on the Cash Flow Forecasts, that the Companies will have sufficient liquidity to continue the SISP and to satisfy post filing obligations as they come due during the Proposed Stay Extension.
31. Based on the information presently available, the Proposal Trustee believes that the Companies’ creditors will not be materially prejudiced by the Proposed Stay Extension. Furthermore, the Proposal Trustee is not aware of any creditor who opposes the requested extension of the Stay Period.

CONCLUSION AND RECOMMENDATIONS

32. The Proposal Trustee confirms that the Companies have acted and continue to act in good faith and with due diligence.
33. For the reasons stated in this Second Report, the Proposal Trustee supports the relief sought by the Companies in connection with the February 27, 2024 Motion. The Proposal Trustee respectfully submits to the Court this, its Second Report.

All of which is respectfully submitted this 21st day of February, 2024.

**BDO CANADA LIMITED, in its capacity
as Proposal Trustee of OEM Automotive
Solutions Inc., OEM Automotive Cornwall Inc.,
and OEM Automotive Holdings Inc., and not in
its corporate or personal capacity.**



**Clark Lonergan, CA, CPA, CIRP, LIT
Partner/Senior Vice President**

Third Report of the Proposal Trustee
Appendix “E”



Issued in Ottawa on February 27, 2024

District of Ontario
Division No. 12 - Ottawa
Court File No. BK-23-03025642-0033
Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

THE HONOURABLE
JUSTICE RYAN BELL

)
)
)

TUESDAY, THE 27TH DAY
OF FEBRUARY, 2024

IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF OEM AUTOMOTIVE
SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC.
AND OEM AUTOMOTIVE HOLDINGS INC.

ORDER
(NOI Stay Extension & Administrative Relief)

THIS MOTION, made by OEM Automotive Solutions Inc. ("**Solutions**"), OEM Automotive Cornwall Inc. ("**Cornwall**") and OEM Automotive Holdings Inc. ("**Holdings**", and collectively with Solutions and Cornwall, the "**Companies**") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the "**BIA**"), for an order (this "**Order**"), among other things:

- (a) if necessary, abridging the time for service and filing of the notice of motion and the motion record or, in the alternative, dispensing with the same;
- (b) extending the time for the Companies to file proposals under section 50.4(9) of the BIA to and including April 14, 2024;
- (c) approving the second report of BDO Canada Limited, in its capacity as proposal trustee (in such capacity, the "**Proposal Trustee**") in the Companies' BIA proposal

proceedings (collectively, the “**Proposal Proceedings**”), dated February 21, 2024 (the “**Second Report**”), and approving the activities of the Proposal Trustee described in the Second Report; and

(d) approving the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Second Report and the fee affidavits appended to the Second Report as Appendix “F” and “G” (the “**Fee Affidavits**”),

was heard by this Honourable Court (the “**Court**”) on this day by way of judicial video conference in Ottawa, Ontario.

ON READING the Motion Record of the Companies, including the Affidavit of Caroline Bourret sworn February 21, 2024 and the exhibits thereto, and on reading the Second Report including the Fee Affidavits, and on hearing the submissions of counsel for the Companies, counsel for the Proposal Trustee, counsel for Bank of Montreal (as senior secured creditor and interim lender), counsel to the other parties listed on the participant information form, no one else appearing although properly served as appears from the affidavit of Amanda Adamo, sworn February 21, 2024, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

EXTENSION OF TIME

2. **THIS COURT ORDERS** that the time for the filing of a proposal by the Companies is hereby extended in accordance with section 50.4(9) of the BIA up to and including April 14, 2024.

APPROVAL OF SECOND REPORT & FEES

3. **THIS COURT ORDERS** that the Second Report and the actions, activities and conduct of the Proposal Trustee described therein be and are hereby approved; provided, however, that only the Proposal Trustee, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

4. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Second Report and the Fee Affidavits be and are hereby taxed and approved.

GENERAL

5. **THIS COURT ORDERS** that this Order is effective as of 12:01 a.m. from today's date and is enforceable without the need for entry and filing.

A handwritten signature in dark ink, appearing to read "Lynn Bell", is written over a horizontal line. The signature is fluid and cursive.

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM AUTOMOTIVE HOLDINGS INC.

Court File No. BK-23-03025639-0033
Bankruptcy Estate File No. 33-3025639

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)**

**ORDER
(NOI STAY EXTENSION & ADMINISTRATIVE RELIEF)**

LOOPSTRA NIXON LLP
135 Queens Plate Drive – Suite 600
Toronto, ON M9W 6V7

R. Graham Phoenix
Tel: (416) 746-4710
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Email: shamraz@LN.law

*Lawyers for OEM AUTOMOTIVE CORNWALL INC.,
OEM AUTOMOTIVE HOLDINGS INC. AND OEM
AUTOMOTIVE SOLUTIONS INC.*

Third Report of the Proposal Trustee
Appendix “F”



Superior Court of Justice – East Region
 161 Elgin Street
 Ottawa, Ontario K2P 2K1

ENDORSEMENT OF CIVIL MOTION/APPLICATION

SHORT TITLE OF PROCEEDINGS: In the matter of the notice of intention to make a proposal of OEM Automotive solutions, OEM Automotive Cornwall, and OEM Automotive Holdings

COURT FILE NO.: BK-23-03025642-0033 and Bankruptcy Estate file no. 33-3025642

BEFORE: Justice R. Ryan Bell

HEARD: February 27, 2024

COUNSEL: G. Phoenix and S. Hamraz for OEM companies
 V. DaRe for the Proposal Trustee
 A. Ho, for BMO
 G. MacDonell for the second mortgagee

RELIEF REQUESTED:

☐ ORDER SIGNED ☐ ON CONSENT

☐ UNOPPOSED ☐ NO ONE APPEARED

☐ ADJOURNED TO [Click here to enter a date.](#)

ENDORSEMENT:

Motion to extend the time for the OEM companies to file proposals under s. 50.4(9) of the BIA, to approve the second report of the Proposal Trustee and approving the actions of the Proposal Trustee as described therein, and approving the fees and disbursements of the Proposal Trustee and its counsel as set out in the second report and the fee affidavits attached to the report.

The OEM companies request an extension to April 14, 2024 and this request is supported by the Proposal Trustee, BMO (senior secured creditor and interim financier) and the shareholders. An extension will enable the Proposal Trustee and the OEM companies to advance the court-approved



Superior Court of Justice – East Region
161 Elgin Street
Ottawa, Ontario K2P 2K1

SISP to the next stage, with expressions of interest due February 29, binding offers due March 15 and a definitive agreement targeted for April 3. The requested extension will allow for the identification of a definitive investment or sale of the Companies' business for the benefit of all stakeholders. The extended cash flow forecast provides that the Companies shall have sufficient funds, with access to the interim financing provided by BMO to maintain operating through to the end of the requested extension. Without the extension, the Companies will not be a position to carry out the SISP or make a viable proposal to their creditors and will become bankrupt to the detriment of their stakeholders. None of the Companies' creditors would be materially prejudiced by the granting of an extension. For these reasons, I make an order extending the time for the Companies to file proposals to April 14, 2024.

The Second Report of the Proposal Trustee is approved, together with the activities of the Proposal Trustee as set out therein. The court also approves the fees and disbursements of the Proposal Trustee and its counsel as set out in the affidavits attached to the Second Report.

Order signed today.

Justice R. Ryan Bell

Date: February 27, 2024

Third Report of the Proposal Trustee
Appendix “G”

IN THE MATTER OF THE PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC.
OF THE CITY OF CORNWALL
IN THE PROVINCE OF ONTARIO

STATEMENT OF PROJECTED CASH-FLOW
FOR THE PERIOD ENDING APRIL 14TH, 2024


Week #		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	TOTAL
Week Ending		2023-12-31	2024-01-07	2024-01-14	2024-01-21	2024-01-28	2024-02-04	2024-02-11	2024-02-18	2024-02-25	2024-03-03	2024-03-10	2024-03-17	2024-03-24	2024-03-31	2024-04-07	2024-04-14	
		Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
Receipts																		
	Notes																	
New Vehicle Sales	1	254,317	181,841	72,000	72,000	72,000	72,000	72,000	72,000	72,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	1,696,158
Used Vehicle Sales	2	-	-	10,000	5,000	70,000	10,000	10,000	10,000	70,000	10,000	10,000	15,000	15,000	111,500	15,000	15,000	376,500
Other Revenue	3	2,370	28,335	-	-	-	5,000	-	-	-	5,000	-	-	-	-	5,000	-	45,705
Parts & Service Sales	4	59,323	42,967	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	662,289
HST Collected	5	41,081	32,909	15,860	15,210	23,660	16,510	15,860	15,860	23,660	21,190	20,540	21,190	21,190	33,735	21,840	21,190	361,485
		357,091	286,051	137,860	132,210	205,660	143,510	137,860	137,860	205,660	184,190	178,540	184,190	184,190	293,235	189,840	184,190	3,142,138
Operating Disbursements																		
Lien Payouts	6	-	-	-	-	-	(4,000)	-	-	-	(4,000)	-	-	-	(4,000)	-	-	(12,000)
Used Vehicle Purchases	7	(34,650)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(34,650)
Parts Purchases	8	(84,860)	-	(5,000)	(5,000)	(5,000)	(50,000)	(5,000)	(5,000)	(5,000)	(50,000)	(5,000)	(5,000)	(5,000)	(5,000)	(50,000)	(5,000)	(289,860)
Payroll (Including Taxes)	9	-	(48,460)	-	(52,800)	-	(46,000)	-	(46,000)	-	(46,000)	-	(46,000)	-	(46,000)	-	(46,000)	(377,260)
Consulting Fee	10	(4,204)	-	-	-	-	(4,204)	-	-	-	(4,204)	-	-	-	-	(4,204)	-	(16,814)
Employee Benefits	11	-	(4,994)	-	-	-	(7,500)	-	-	-	(7,500)	-	-	-	-	(7,500)	-	(27,494)
WSIB	12	-	-	-	(3,478)	-	-	-	-	-	-	-	-	-	-	-	(5,000)	(8,478)
Corporate Credit Card Repayment	13	-	-	(25,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	(25,000)
Vendor Payments	14	(14,205)	(6,102)	-	-	-	(12,500)	-	-	-	(12,500)	-	-	-	(12,500)	-	-	(57,808)
Repairs and Maintenance CAPEX	15	-	-	-	-	-	(10,000)	-	-	-	(2,500)	-	-	-	(2,500)	-	-	(15,000)
Rent and Utilities - Property 1 OEM Automotive Cornwall Inc.	16	(589)	-	-	(6,224)	-	(998)	-	(6,266)	-	(998)	-	(6,224)	(262)	(998)	-	-	(22,558)
Rent and Utilities - Property 2 OEM Automotive holdings Inc.	17	-	-	(657)	(8,850)	-	-	-	(9,506)	-	-	-	(9,506)	(525)	-	-	-	(29,044)
Insurance Payments	18	-	-	-	-	-	-	(35,135)	-	-	-	-	-	-	-	-	-	(35,135)
HST Paid	19	(13,502)	(27,344)	(45,414)	(12,977)	(11,018)	(42,682)	(11,018)	(13,068)	(11,018)	(45,565)	(15,958)	(18,002)	(16,060)	(18,037)	(40,316)	(15,958)	(357,934)
HST Refund (Remittance)	20	-	-	-	-	-	-	-	-	(18,466)	-	-	-	5,895	-	-	-	(12,571)
Debt Service																		
Floor Plan Payments To/From BMO	21	-	(109,548)	(257,430)	(76,000)	(76,000)	(76,000)	(76,000)	(76,000)	(76,000)	(114,000)	(114,000)	(114,000)	(114,000)	(114,000)	(114,000)	(114,000)	(1,620,978)
BMO Floor Plan Curtailments	22	-	(94,467)	-	-	-	(53,371)	-	-	-	(70,046)	-	-	-	-	(45,671)	-	(263,555)
BMO Floor Plan Interest	23	-	(18,713)	-	-	-	(20,000)	-	-	-	(20,000)	-	-	-	-	(20,000)	-	(78,713)
BMO Goodwill Loan (Interest)	24	-	(11,372)	-	-	-	(12,000)	-	-	-	(12,000)	-	-	-	(12,000)	-	-	(47,372)
Proposal Trustee & its Counsel's Fees	25	-	-	(50,000)	-	-	(75,000)	-	-	-	(50,000)	-	-	-	-	(50,000)	-	(225,000)
Restructuring Costs	26	-	-	(25,000)	-	-	(35,000)	-	-	-	(35,000)	-	-	-	-	(35,000)	-	(130,000)
Sales Agent Work Fees	27	-	-	(7,500)	-	-	(7,500)	-	-	-	(7,500)	-	-	-	-	(7,500)	-	(30,000)
DIP Facility Interest and fees	28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency	29	-	(222)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(52,722)
Total Disbursements		(152,010)	(321,223)	(419,751)	(169,078)	(95,768)	(460,505)	(130,903)	(159,590)	(114,233)	(485,562)	(138,708)	(202,483)	(133,701)	(218,785)	(377,941)	(189,708)	(3,769,947)
Projected Weekly Cash Flow		205,082	(35,172)	(281,891)	(36,868)	109,893	(316,995)	6,958	(21,730)	91,427	(301,372)	39,833	(18,293)	50,489	74,450	(188,101)	(5,518)	(627,809)
Cumulative Cash Flow			169,910	(111,981)	(148,849)	(38,957)	(355,952)	(348,994)	(370,724)	(279,298)	(580,669)	(540,837)	(559,129)	(508,641)	(434,191)	(622,291)	(627,809)	
Cash Balance																		
Opening Cash Position per Bank Statement		184,654	389,735	354,563	72,672	35,804	145,697	28,702	35,659	38,929	130,356	28,984	68,817	50,524	101,013	175,463	12,362	184,654
Projected Weekly Cash Flow		205,082	(35,172)	(281,891)	(36,868)	109,893	(316,995)	6,958	(21,730)	91,427	(301,372)	39,833	(18,293)	50,489	74,450	(188,101)	(5,518)	(627,809)
Funding from DIP Facility	30	-	-	-	-	-	200,000	-	25,000	-	200,000	-	-	-	-	25,000	-	450,000
Ending Cash Position		\$ 389,735	\$ 354,563	\$ 72,672	\$ 35,804	\$ 145,697	\$ 28,702	\$ 35,659	\$ 38,929	\$ 130,356	\$ 28,984	\$ 68,817	\$ 50,524	\$ 101,013	\$ 175,463	\$ 12,362	\$ 6,845	\$ 6,845

Note A. Notes to the Unaudited cash flow forecast of the Company

In preparing this cash flow forecast (the “Cash Flow Forecast”) the Company has relied upon unaudited financial information and the Company has not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the Company and additional information discussed below with respect to the requirements of a Bankruptcy and Insolvency Act (“BIA”) filing. Since the Cash Flow Forecast is based upon assumptions of future events and conditions that are not ascertainable, the actual results achieved during the period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurances that any of the estimates, forecasts or projections will be realized.

Note A. Overview


The Cash Flow Forecast includes the receipts and disbursements of all of the Company during the Cash Flow Forecast period. The Company, with the assistance of BDO Canada Limited in its capacity as the proposal trustee of the Company (the “Trustee”) have prepared the Cash Flow Forecast based primarily on estimated disbursements related to the ongoing operations and to the BIA proceedings.



Caroline Bourret
General Manager

January 10th, 2024

Date



Clark Lonergan, CPA, CA, CIRP, LIT
Partner/Senior Vice President

January 10th, 2024

Date

Notes/Assumptions

- 1 Estimated new vehicle sales considering the Company's sales forecasts, average MSRP of vehicles in inventory, vehicle trade-in values, current market conditions, and the cyclical sales cycle. Week 1 includes the actual sale of three vehicles with higher MSRPs.
- 2 Estimated used vehicle sales considering the Company's sales forecast, sale of trade-in vehicles at auction, taking into account average inventory value, auction sale price, current market conditions, and the cyclical sales cycle. For trade-in vehicles, a two week delay in cash collection from auction is assumed from the trade-in date.
- 3 Other revenue consist of dealer rebates for seasonal promotions, PDI rebates, and new vehicle reserves on vehicle sales.
- 4 Amounts calculated based on historical 2023 weekly sales figures and sales mix. It is assumed that the Parts to Service Sales ratio is 2.5:1.5
- 5 Harmonized Sales Tax (HST) collected on receipts.
- 6 Assumed potential lien payout amounts on the forecasted trade-in vehicles, percentage of trade-in vehicles with liens, and an average lien amount.
- 7 Relates to a used vehicle cash purchase, proceeds from Volkswagen financing for the vehicle expected to be received in Week 14.
- 8 Majority of parts purchases are billed by Volkswagen at the beginning of each month, the rest of the month is calculated using historical 2023's average gross margin on projected parts sales.
- 9 Payroll made up of salaried employee and hourly employee amounts. Employee payroll is administered bi-weekly through an external service provider (inclusive of taxes). Week 1 payroll includes one week of pre-filing amounts as the Company's payroll is paid one-week in arrears. Week 4 includes vacation payout amounts to an employee.
- 10 Estimated contractor payments for part-time finance personnel.
- 11 Continuation of employee benefit plan with the Company's current insurance provider.
- 12 WSIB premium to be paid on a quarterly basis, calculated based on 1.3% of payroll.
- 13 Amount relates to the Company's corporate credit cards with the Bank of Montreal. Future transactions/balances are included in the Vendor Payment totals.
- 14 Payment of go-forward vendor payments, consistent with 2023 average monthly amount.
- 15 Repairs and maintenance amounts for minor repairs that are necessary to maintain the facility.
- 16 Includes monthly gas, electricity, water, and recurring rent payment for the premises located at 628 Pitt Street, Cornwall, ON paid to OEM Automotive Cornwall Inc.
- 17 Includes monthly gas, electricity, water, and recurring rent payment for the premises located at 632 Pitt Street, Cornwall, ON paid to OEM Automotive Holdings Inc.
- 18 Current insurance policy premiums are to be paid as scheduled.
- 19 Harmonized Sales Tax (HST) paid on disbursements.
- 20 Harmonized Sales Tax (HST) remittance paid monthly for previous month's net HST amounts.
- 21 Represents the net of principal repayment of floor line financing on new vehicles sold and/or new financing provided to purchase of new and used vehicles.
- 22 Vehicles that have been on the floor plan facility for 12 months may be carried for an additional 3 months, subject to monthly curtailments. Additionally new vehicles are subject to an HST curtailment amount after a minimum of 60 days after the vehicle is received. Amounts are based on BMO's floor plan report and is estimated to be reduced as new vehicles are sold through and the corresponding floor facilities repaid.
- 23 Estimated based on latest floor line principal balance using Bank of Montreal Prime Rate + 1% as stated its loan agreement.
- 24 Interest expense on the Goodwill loan facility from Bank of Montreal to finance part of the purchase of VW Cornwall. Principal repayments have been paused on this loan.
- 25 Costs of the Proposal Trustee and its counsel to the date of filing and thereafter.
- 26 Costs of the Company's and DIP lender's counsel to the date of filing and monthly amounts thereafter.
- 27 Estimated work fee for the Sales Agent related to the anticipated Court approved sale process.
- 28 Interest and fees related to DIP financing facility is due at maturity, thus no amount is recorded for the cash flow period. At maturity, a commitment fee of 5% of maximum amount (\$500,000) will be due.
- 29 Contingency of \$3,750 per week, starting week 3, is assumed to cover unanticipated costs.
- 30 Relates to DIP financing from lender, up to a maximum amount of \$500,000.



Caroline Bourret
General Manager

January 10th, 2024

Date



Clark Lonergan, CPA, CA, CIRP, LIT
Partner/Senior Vice President

January 10th, 2024

Date

IN THE MATTER OF THE PROPOSAL OF
OEM AUTOMOTIVE CORNWALL INC. (THE "COMPANY")
OF THE CITY OF CORNWALL
IN THE PROVINCE OF ONTARIO

STATEMENT OF PROJECTED CASH-FLOW
FOR THE PERIOD ENDING APRIL 14TH, 2024

Week #		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	TOTAL
Week Ending		2023-12-31	2024-01-07	2024-01-14	2024-01-21	2024-01-28	2024-02-04	2024-02-11	2024-02-18	2024-02-25	2024-03-03	2024-03-10	2024-03-17	2024-03-24	2024-03-31	2024-04-07	2024-04-14	
Receipts	Notes	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
Rent	1	-	-	-	5,900	-	-	-	5,900	-	-	-	5,900	-	-	-	-	17,699
Utilities Collected	2	589	-	-	324	-	998	-	366	-	998	-	324	262	998	-	-	4,858
HST Collected	3	77	-	-	809	-	130	-	815	-	130	-	809	34	130	-	-	2,932
Total Receipts		665	-	-	7,033	-	1,128	-	7,080	-	1,128	-	7,033	296	1,128	-	-	25,490
Operating Disbursements																		
Utilities Payments	4	(589)	-	-	(324)	-	(998)	-	(366)	-	(998)	-	(324)	(262)	(998)	-	-	(4,858)
Property Tax	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HST Paid	6	(77)	-	(1,300)	(42)	-	(1,430)	-	(48)	-	(520)	-	(42)	(34)	(520)	-	-	(4,012)
HST Refund (Remittance)	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,079	1,079
Debt Service & Restructuring Costs																		-
Scheduled Principal & Interest Payment	8	-	(3,420)	-	-	-	(3,420)	-	-	-	(3,420)	-	-	-	(3,420)	-	-	(13,680)
Proposal Trustee & its Counsel's Fees	9	-	-	(5,000)	-	-	(5,000)	-	-	-	(1,500)	-	-	-	(1,500)	-	-	(13,000)
Restructuring Costs	10	-	-	(5,000)	-	-	(5,000)	-	-	-	(1,500)	-	-	-	(1,500)	-	-	(13,000)
Total Disbursements		(665)	(3,420)	(11,300)	(366)	-	(15,848)	-	(414)	-	(7,938)	-	(366)	(296)	(7,938)	-	1,079	(47,471)
Projected Weekly Cash Flow		-	(3,420)	(11,300)	6,667	-	(14,720)	-	6,667	-	(6,810)	-	6,667	-	(6,810)	-	1,079	(21,981)
Cumulative Cash Flow		-	(3,420)	(14,720)	(8,053)	(8,053)	(22,774)	(22,774)	(16,107)	(16,107)	(22,917)	(22,917)	(16,250)	(16,250)	(23,060)	(23,060)	(21,981)	
Cash Balance																		
Opening Cash Position		24,177	24,177	20,757	9,457	16,124	16,124	1,403	1,403	8,070	8,070	1,260	1,260	7,927	7,927	1,117	1,117	24,177
Projected Weekly Cash Flow		-	(3,420)	(11,300)	6,667	-	(14,720)	-	6,667	-	(6,810)	-	6,667	-	(6,810)	-	1,079	(21,981)
Ending Cash Position		\$ 24,177	\$ 20,757	\$ 9,457	\$ 16,124	\$ 16,124	\$ 1,403	\$ 1,403	\$ 8,070	\$ 8,070	\$ 1,260	\$ 1,260	\$ 7,927	\$ 7,927	\$ 1,117	\$ 1,117	\$ 2,196	\$ 2,196

Note A. Notes to the Unaudited cash flow forecast of the Company

In preparing this cash flow forecast (the “Cash Flow Forecast”) the Company has relied upon unaudited financial information and the Company has not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the Company and additional information discussed below with respect to the requirements of a *Bankruptcy and Insolvency Act* (“BIA”) filing. Since the Cash Flow Forecast is based upon assumptions of future events and conditions that are not ascertainable, the actual results achieved during the period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurances that any of the estimates, forecasts or projections will be realized.

Note A. Overview

The Cash Flow Forecast includes the receipts and disbursements of all of the Company during the Cash Flow Forecast period. The Company, with the assistance of BDO Canada Limited in its capacity as the proposal trustee of the Company (the “Trustee”) have prepared the Cash Flow Forecast based primarily on estimated disbursements related to the ongoing operations and to the BIA proceedings.

Caroline Bourret
General Manager

January 10th, 2024

Date

Clark Lonergan, CPA, CA, CIRP, LIT
Partner/Senior Vice President

January 10th, 2024

Date

Notes/Assumptions

- 1 Monthly recurring rent payment collected from the operating company (OEM Automotive Solutions Inc.) for the premises located at 628 Pitt Street, Cornwall, ON.
- 2 Payment collected from the operating company (OEM Automotive Solutions Inc.) for gas, electricity and water costs.
- 3 Harmonized Sales Tax (HST) collected on receipts.
- 4 Payment paid on behalf of the operating company (OEM Automotive Solutions Inc.) for gas, electricity and water costs.
- 5 Based on previous year's property tax statement, property tax is billed in two instalments, being the last business day in July and August. The amount expected for this period is \$0.
- 6 Harmonized Sales Tax (HST) paid on disbursements.
- 7 Harmonized Sales Tax (HST) refund (remittance) is paid quarterly. Q1 2024 HST is expected to be paid April 2024 (quarterly filer).
- 8 Debt service payments for mortgage.
- 9 Costs of the Proposal Trustee and its counsel to the date of filing and thereafter.
- 10 Costs of the Company's counsel to the date of filing and monthly amounts thereafter.



Caroline Bourret
General Manager

January 10th, 2024
Date



Clark Lonergan, CPA, CA, CIRP, LIT
Partner/Senior Vice President

January 10th, 2024
Date

IN THE MATTER OF THE PROPOSAL OF
OEM AUTOMOTIVE HOLDINGS INC. (THE "COMPANY")
OF THE CITY OF CORNWALL
IN THE PROVINCE OF ONTARIO

STATEMENT OF PROJECTED CASH-FLOW
FOR THE PERIOD ENDING APRIL 14TH, 2024

Week #		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	TOTAL
Week Ending		2023-12-31	2024-01-07	2024-01-14	2024-01-21	2024-01-28	2024-02-04	2024-02-11	2024-02-18	2024-02-25	2024-03-03	2024-03-10	2024-03-17	2024-03-24	2024-03-31	2024-04-07	2024-04-14	
Receipts	Notes	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
Rent	1	-	-	-	8,850	-	-	-	8,850	-	-	-	8,850	-	-	-	-	26,549
Utilities Collected	2	-	-	657	-	-	-	-	657	-	-	-	657	525	-	-	-	2,495
HST Collected	3	-	-	85	1,150	-	-	-	1,236	-	-	-	1,236	68	-	-	-	3,776
Total Receipts		-	-	742	10,000	-	-	-	10,742	-	-	-	10,742	593	-	-	-	32,820
Operating Disbursements																		
Utilities Payments	4	-	-	(657)	-	-	-	-	(657)	-	-	-	(657)	(525)	-	-	-	(2,495)
Property Tax	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HST Paid	6	-	-	(2,685)	-	-	(910)	-	(85)	-	-	-	(995)	(68)	-	-	-	(4,744)
HST Refund (Remittance)	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	969	969
Debt Service & Restructuring Costs																		
Scheduled Principal & Interest Payment	8	-	(6,352)	-	-	-	(6,352)	-	-	-	(6,352)	-	-	-	(6,352)	-	-	(25,407)
Proposal Trustee & its Counsel's Fees	9	-	-	(10,000)	-	-	(3,500)	-	-	-	-	-	(3,500)	-	-	-	-	(17,000)
Restructuring Costs	10	-	-	(10,000)	-	-	(3,500)	-	-	-	-	-	(3,500)	-	-	-	-	(17,000)
Total Disbursements		-	(6,352)	(23,342)	-	-	(14,262)	-	(742)	-	(6,352)	-	(8,652)	(593)	(6,352)	-	969	(65,677)
Projected Weekly Cash Flow		-	(6,352)	(22,600)	10,000	-	(14,262)	-	10,000	-	(6,352)	-	2,090	-	(6,352)	-	969	(32,858)
Cumulative Cash Flow		-	(6,352)	(28,952)	(18,952)	(18,952)	(33,213)	(33,213)	(23,213)	(23,213)	(29,565)	(29,565)	(27,475)	(27,475)	(33,827)	(33,827)	(32,858)	
Cash Balance																		
Opening Cash Position		34,848	34,848	28,496	5,896	15,896	15,896	1,634	1,634	11,634	11,634	5,283	5,283	7,373	7,373	1,021	1,021	34,848
Projected Weekly Cash Flow		-	(6,352)	(22,600)	10,000	-	(14,262)	-	10,000	-	(6,352)	-	2,090	-	(6,352)	-	969	(32,858)
Ending Cash Position		\$ 34,848	\$ 28,496	\$ 5,896	\$ 15,896	\$ 15,896	\$ 1,634	\$ 1,634	\$ 11,634	\$ 11,634	\$ 5,283	\$ 5,283	\$ 7,373	\$ 7,373	\$ 1,021	\$ 1,021	\$ 1,990	\$ 1,990

Note A. Notes to the Unaudited cash flow forecast of the Company

In preparing this cash flow forecast (the “Cash Flow Forecast”) the Company has relied upon unaudited financial information and the Company has not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the Company and additional information discussed below with respect to the requirements of a *Bankruptcy and Insolvency Act* (“BIA”) filing. Since the Cash Flow Forecast is based upon assumptions of future events and conditions that are not ascertainable, the actual results achieved during the period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurances that any of the estimates, forecasts or projections will be realized.

Note A. Overview

The Cash Flow Forecast includes the receipts and disbursements of all of the Company during the Cash Flow Forecast period. The Company, with the assistance of BDO Canada Limited in its capacity as the proposal trustee of the Company (the “Trustee”) have prepared the Cash Flow Forecast based primarily on estimated disbursements related to the ongoing operations and to the BIA proceedings.



Caroline Bourret
General Manager

January 10th, 2024

Date



Clark Lonergan, CPA, CA, CIRP, LIT
Partner/Senior Vice President

January 10th, 2024

Date

Notes/Assumptions

- 1 Monthly recurring rent payment collected from the operating company (OEM Automotive Solutions Inc.) for premises located at 632 Pitt Street, Cornwall, ON.
- 2 Payment collected from the operating company (OEM Automotive Solutions Inc.) for gas, electricity and water costs.
- 3 Harmonized Sales Tax (HST) collected on receipts.
- 4 Payment paid on behalf of the operating company (OEM Automotive Solutions Inc.) for gas, electricity and water costs.
- 5 Based on previous year's property tax statement, property tax is billed in two instalments, being the last business day in July and August. The amount expected for this period is \$0.
- 6 Harmonized Sales Tax (HST) paid on disbursements.
- 7 Harmonized Sales Tax (HST) remittance is paid quarterly. Q1 2024 HST is expected to be paid April 2024 (quarterly filer).
- 8 Debt service payments for mortgage.
- 9 Costs of the Proposal Trustee and its counsel to the date of filing and thereafter.
- 10 Costs of the Company's counsel to the date of filing and monthly amounts thereafter.



Caroline Bourret
General Manager

January 10th, 2024
Date



Clark Lonergan, CPA, CA, CIRP, LIT
Partner/Senior Vice President

January 10th, 2024
Date

Third Report of the Proposal Trustee
Appendix “H”

IN THE MATTER OF THE PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC.
OF THE CITY OF CORNWALL
IN THE PROVINCE OF ONTARIO

STATEMENT OF PROJECTED CASH-FLOW
FOR THE PERIOD ENDING MAY 26TH, 2024

Week #		1	2	3	4	5	6	7	8	9	TOTAL
Week Ending		2024-03-31	2024-04-07	2024-04-14	2024-04-21	2024-04-28	2024-05-05	2024-05-12	2024-05-19	2024-05-26	
		Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
Receipts	Notes										
New Vehicle Sales	1	72,000	108,000	108,000	108,000	108,000	36,000	-	-	-	540,000
Used Vehicle Sales	2	15,000	15,000	40,000	15,000	45,000	-	-	-	-	130,000
Other Revenue	3	-	5,000	-	-	-	-	-	-	-	5,000
Parts & Service Sales	4	40,000	40,000	40,000	40,000	40,000	20,000	-	-	-	220,000
To/(From) Intercompany	5	-	-	-	-	-	-	-	-	-	-
HST Collected	6	16,510	21,840	24,440	21,190	25,090	7,280	-	-	-	116,350
		143,510	189,840	212,440	184,190	218,090	63,280	-	-	-	1,011,350
Operating Disbursements											
Lien Payouts	7	(4,000)	-	-	-	(4,000)	-	-	-	-	(8,000)
Used Vehicle Purchases	8	-	-	-	-	-	-	-	-	-	-
Parts Purchases	9	(17,500)	(17,500)	(17,500)	(17,500)	(17,500)	(15,000)	-	-	-	(102,500)
Payroll (Including Taxes)	10	(56,636)	-	(50,000)	-	(50,000)	-	(50,000)	-	(25,000)	(231,636)
Employee Benefits	11	-	(7,500)	-	-	-	(7,500)	-	-	-	(15,000)
WSIB	12	-	-	(5,000)	-	-	-	-	-	-	(5,000)
Corporate Credit Card Repayment	13	-	-	-	(15,000)	-	-	-	-	-	(15,000)
Vendor Payments	14	(15,000)	-	-	-	(15,000)	-	-	-	-	(30,000)
Repairs and Maintenance CAPEX	15	-	-	-	-	(2,500)	-	-	-	-	(2,500)
Rent and Utilities - Property 1 OEM Automotive Cornwall Inc.	16	(998)	-	-	(6,266)	-	(998)	-	(6,266)	-	(14,527)
Rent and Utilities - Property 2 OEM Automotive holdings Inc.	17	-	-	-	(9,506)	-	-	-	(9,506)	-	(19,013)
Insurance Payments	18	-	-	-	-	-	(34,200)	-	-	-	(34,200)
HST Paid	19	(7,438)	(15,234)	(2,600)	(17,325)	(4,875)	(2,080)	(13,000)	(2,050)	-	(64,602)
HST Refund (Remittance)	20	-	2,008	-	-	(25,458)	-	-	-	(2,695)	(26,145)
Debt Service											
Floor Plan Payments To/From BMO	21	(118,141)	(85,880)	(128,820)	(128,820)	(128,820)	(128,820)	(42,940)	-	-	(762,241)
BMO Floor Plan Curtailments	22	-	(130,000)	-	-	-	-	-	-	-	(130,000)
BMO Floor Plan Interest	23	-	(22,000)	-	-	-	(22,000)	-	-	-	(44,000)
BMO Goodwill Loan (Interest)	24	(12,000)	-	-	-	(12,000)	-	-	-	-	(24,000)
Proposal Trustee & its Counsel's Fees	25	(17,139)	(89,681)	-	(75,000)	-	-	(75,000)	-	-	(256,820)
Restructuring Costs	26	(4,076)	-	-	(7,500)	-	-	(25,000)	-	-	(36,576)
Sales Agent Work Fees	27	-	(7,500)	-	-	-	-	-	-	-	(7,500)
DIP Facility Interest and fees	28	-	-	-	-	-	(25,000)	-	-	-	(25,000)
Contingency	29	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	-	-	-	-	(12,500)
Total Disbursements		(255,427)	(375,787)	(206,420)	(279,418)	(262,653)	(235,598)	(205,940)	(17,823)	(27,695)	(1,866,759)
Projected Weekly Cash Flow		(111,917)	(185,947)	6,020	(95,228)	(44,563)	(172,318)	(205,940)	(17,823)	(27,695)	(855,409)
Cumulative Cash Flow		(111,917)	(297,864)	(291,844)	(387,072)	(431,634)	(603,952)	(809,892)	(827,714)	(855,409)	
Cash Balance											
Opening Cash Position per Bank Statement		400,453	288,536	127,589	133,609	88,381	43,819	(128,499)	(334,439)	(352,262)	400,453
Projected Weekly Cash Flow		(111,917)	(185,947)	6,020	(95,228)	(44,563)	(172,318)	(205,940)	(17,823)	(27,695)	(855,409)
Funding from DIP Facility	30	-	25,000	-	50,000	-	-	-	-	-	75,000
Ending Cash Position		\$ 288,536	\$ 127,589	\$ 133,609	\$ 88,381	\$ 43,819	\$ (128,499)	\$ (334,439)	\$ (352,262)	\$ (379,956)	\$ (379,956)
						Note 31	Note 31	Note 31	Note 31		

Note A. Notes to the Unaudited cash flow forecast of the Company

In preparing this cash flow forecast (the "Cash Flow Forecast") the Company has relied upon unaudited financial information and the Company has not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the Company and additional information discussed below with respect to the requirements of a Bankruptcy and Insolvency Act ("BIA") filing. Since the Cash Flow Forecast is based upon assumptions of future events and conditions that are not ascertainable, the actual results achieved during the period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurances that any of the estimates, forecasts or projections will be realized.

Note A. Overview

The Cash Flow Forecast includes the receipts and disbursements of all of the Company during the Cash Flow Forecast period. The Company, with the assistance of BDO Canada Limited in its capacity as the proposal trustee of the Company (the "Trustee") have prepared the Cash Flow Forecast based primarily on estimated disbursements related to the ongoing operations and to the BIA proceedings.



Caroline Bourret
General Manager

March 26th, 2024

Date



Clark Lonergan, CPA, CA, CIRP, LIT
Partner/Senior Vice President

March 26th, 2024

Date

Notes/Assumptions

- 1 Estimated new vehicle sales considering the Company's sales forecasts, average MSRP of vehicles in inventory, vehicle trade-in values, current market conditions, and the cyclical sales cycle.
- 2 Estimated used vehicle sales considering the Company's sales forecast, sale of trade-in vehicles at auction, taking into account average inventory value, auction sale price, current market conditions, and the cyclical sales cycle. For trade-in vehicles, a two week delay in cash collection from auction is assumed from the trade-in date.
- 3 Other revenue consist of dealer rebates for seasonal promotions, PDI rebates, and new vehicle reserves on vehicle sales.
- 4 Amounts calculated based on historic weekly sales figures and sales mix. It is assumed that the Parts to Service Sales ratio is 2.5:1.5.
- 5 Intercompany transfers to cover for professional fees and other operating expenses paid on behalf of OEM Automotive Cornwall Inc. and OEM Automotive Holdings Inc.
- 6 Harmonized Sales Tax (HST) collected on receipts.
- 7 Assumed potential lien payout amounts on the forecasted trade-in vehicles, percentage of trade-in vehicles with liens, and an average lien amount.
- 8 Relates to used vehicle purchases.
- 9 Majority of parts purchases are billed by Volkswagen at the beginning of each week for the prior week, the forecasted amounts are in line with historical average gross margin on projected parts sales.
- 10 Payroll made up of salaried employee and hourly employee amounts. Employee payroll is administered bi-weekly through an external service provider (inclusive of taxes).
- 11 Continuation of employee benefit plan with the Company's current insurance provider.
- 12 WSIB premium to be paid on a quarterly basis, calculated based on 1.3% of payroll.
- 13 Amount relates to repayment to the Company's corporate credit cards with the Bank of Montreal, which is used to make purchases with vendors/suppliers on COD basis.
- 14 Payment of go-forward vendor payments, consistent with historic average monthly amount.
- 15 Repairs and maintenance amounts for minor repairs that are necessary to maintain the facility.
- 16 Includes monthly gas, electricity, water, and recurring rent payment for the premises located at 628 Pitt Street, Cornwall, ON paid to OEM Automotive Cornwall Inc.
- 17 Includes monthly gas, electricity, water, and recurring rent payment for the premises located at 632 Pitt Street, Cornwall, ON paid to OEM Automotive Holdings Inc.
- 18 Current insurance policy premiums are to be paid as scheduled.
- 19 Harmonized Sales Tax (HST) paid on disbursements.
- 20 Harmonized Sales Tax (HST) remittance paid monthly for previous month's net HST amounts.
- 21 Represents the net of principal repayment of floor line financing on new vehicles sold and/or new financing provided to purchase of new and used vehicles.
- 22 Vehicles that have been on the floor plan facility for 12 months may be carried for an additional 3 months, subject to monthly curtailments. Additionally new vehicles are subject to an HST curtailment amount after a minimum of 60 days after the vehicle is received. Amounts in Week 2 is for curtailment of both March and April 2024, as curtailments were delayed in March 2024 by Bank of Montreal to April 2024.
- 23 Estimated based on latest floor line principal balance using Bank of Montreal Prime Rate + 1% as stated its loan agreement.
- 24 Interest expense on the Goodwill loan facility from Bank of Montreal to finance part of the purchase of VW Cornwall. Principal repayments have been paused on this loan.
- 25 Costs of the Proposal Trustee and its counsel to the date of filing and thereafter.
- 26 Costs of the Company's and DIP lender's counsel to the date of filing and monthly amounts thereafter.
- 27 Estimated work fee for the Sales Agent related to the Court approved sale process.
- 28 Interest and fees related to DIP financing facility is due at maturity, which is expected to be April 30, 2024 per DIP financing agreement. At maturity, a commitment fee of 5% of maximum amount (\$500,000) will be due.
- 29 Contingency of \$2,500 per week, starting week 3, is assumed to cover unanticipated costs.
- 30 Relates to DIP financing from lender, up to a maximum amount of \$500,000. To date, \$425,000 have been drawn from the facility, with \$75,000 remaining available.
- 31 The anticipated closing date for the Court approved sale process is April 30, 2024 (the "Closing Date"). It is anticipated that all revenue will cease following the Closing Date, with only costs persisting thereafter. According to this Cash Flow Forecast, the remaining cash on hand and available DIP facility can support receipts and disbursements up to the Closing Date. After the Closing Date, proceeds from the sale process and the purchase deposit will be sufficient to cover disbursements. The Trustee is already in possession of the purchase deposit, which is sufficient to cover disbursements after the Closing Date.



Caroline Bourret
General Manager

March 26th, 2024

Date



Clark Lonergan, CPA, CA, CIRP, LIT
Partner /Senior Vice President

March 26th, 2024

Date

IN THE MATTER OF THE PROPOSAL OF
OEM AUTOMOTIVE CORNWALL INC. (THE "COMPANY")
OF THE CITY OF CORNWALL
IN THE PROVINCE OF ONTARIO

STATEMENT OF PROJECTED CASH-FLOW
FOR THE PERIOD ENDING MAY 26TH, 2024

Week #		1	2	3	4	5	6	7	8	9	TOTAL
Week Ending		2024-03-31	2024-04-07	2024-04-14	2024-04-21	2024-04-28	2024-05-05	2024-05-12	2024-05-19	2024-05-26	
Receipts	Notes	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
Rent	1	-	-	-	5,900	-	-	-	5,900	-	11,799
Utilities Collected	2	998	-	-	366	-	998	-	366	-	2,728
HST Collected	3	130	-	-	815	-	130	-	815	-	1,889
Total Receipts		1,128	-	-	7,080	-	1,128	-	7,080	-	16,416
Operating Disbursements											
Utilities Payments	4	(998)	-	-	(366)	-	(998)	-	(366)	-	(2,728)
Property Tax	5	(3,687)	-	-	-	(3,654)	-	-	-	-	(7,341)
From/(To) Intercompany	6	-	-	-	-	-	-	-	-	-	-
HST Paid	7	(130)	-	-	(1,023)	-	(130)	-	(1,023)	-	(2,305)
HST Refund (Remittance)	8	-	-	-	4,000	-	-	-	-	-	4,000
Debt Service & Restructuring Costs											
Scheduled Principal & Interest Payment	9	(3,420)	-	-	-	(3,420)	-	-	-	-	(6,840)
Proposal Trustee & its Counsel's Fees	10	-	-	-	(7,500)	-	-	-	(7,500)	-	(15,000)
Restructuring Costs	11	-	-	-	-	-	-	-	-	-	-
Total Disbursements		(8,235)	-	-	(4,889)	(7,074)	(1,128)	-	(8,889)	-	(30,214)
Projected Weekly Cash Flow		(7,107)	-	-	2,192	(7,074)	-	-	(1,808)	-	(13,798)
Cumulative Cash Flow		(7,107)	(7,107)	(7,107)	(4,916)	(11,990)	(11,990)	(11,990)	(13,798)	(13,798)	
Cash Balance											
Opening Cash Position		13,917	6,809	6,809	6,809	9,001	1,927	1,927	1,927	119	13,917
Projected Weekly Cash Flow		(7,107)	-	-	2,192	(7,074)	-	-	(1,808)	-	(13,798)
Ending Cash Position		\$ 6,809	\$ 6,809	\$ 6,809	\$ 9,001	\$ 1,927	\$ 1,927	\$ 1,927	\$ 119	\$ 119	\$ 119

Note A. Notes to the Unaudited cash flow forecast of the Company

In preparing this cash flow forecast (the “Cash Flow Forecast”) the Company has relied upon unaudited financial information and the Company has not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the Company and additional information discussed below with respect to the requirements of a *Bankruptcy and Insolvency Act* (“BIA”) filing. Since the Cash Flow Forecast is based upon assumptions of future events and conditions that are not ascertainable, the actual results achieved during the period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurances that any of the estimates, forecasts or projections will be realized.

Note A. Overview

The Cash Flow Forecast includes the receipts and disbursements of all of the Company during the Cash Flow Forecast period. The Company, with the assistance of BDO Canada Limited in its capacity as the proposal trustee of the Company (the “Trustee”) have prepared the Cash Flow Forecast based primarily on estimated disbursements related to the ongoing operations and to the BIA proceedings.



Caroline Bourret
General Manager

March 26th, 2024

Date



Clark Lonergan, CPA, CA, CIRP, LIT
Partner/Senior Vice President

March 26th, 2024

Date

Notes/Assumptions

- 1 Monthly recurring rent payment collected from the operating company (OEM Automotive Solutions Inc.) for the premises located at 628 Pitt Street, Cornwall, ON.
- 2 Payment collected from the operating company (OEM Automotive Solutions Inc.) for gas, electricity and water costs.
- 3 Harmonized Sales Tax (HST) collected on receipts.
- 4 Payment paid on behalf of the operating company (OEM Automotive Solutions Inc.) for gas, electricity and water costs.
- 5 Based on current year's property tax statement.
- 6 Intercompany transfers to OEM Automotive Solutions to cover for professional fees and other operating expenses paid on behalf of OEM Automotive Cornwall Inc.
- 7 Harmonized Sales Tax (HST) paid on disbursements.
- 8 Harmonized Sales Tax (HST) refund (remittance) is paid quarterly. Q1 2024 HST is expected to be filed April 2024 (quarterly filer).
- 9 Debt service payments for mortgage.
- 10 Costs of the Proposal Trustee and its counsel to the date of filing and thereafter.
- 11 Costs of the Company's counsel to the date of filing and monthly amounts thereafter.



Caroline Bourret
General Manager

March 26th, 2024

Date



Clark Lonergan, CPA, CA, CIRP, LIT
Partner/Senior Vice President

March 26th, 2024

Date

IN THE MATTER OF THE PROPOSAL OF
OEM AUTOMOTIVE HOLDINGS INC. (THE "COMPANY")
OF THE CITY OF CORNWALL
IN THE PROVINCE OF ONTARIO

STATEMENT OF PROJECTED CASH-FLOW
FOR THE PERIOD ENDING MAY 26TH, 2024

Week #		1	2	3	4	5	6	7	8	9	TOTAL
Week Ending		2024-03-31	2024-04-07	2024-04-14	2024-04-21	2024-04-28	2024-05-05	2024-05-12	2024-05-19	2024-05-26	
Receipts	Notes	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
Rent	1	-	-	-	8,850	-	-	-	8,850	-	17,699
Utilities Collected	2	-	-	-	657	-	-	-	657	-	1,314
HST Collected	3	-	-	-	1,236	-	-	-	1,236	-	2,472
Total Receipts		-	-	-	10,742	-	-	-	10,742	-	21,485
Operating Disbursements											
Utilities Payments	4	-	-	-	(657)	-	-	-	(657)	-	(1,314)
Property Tax	5	(6,969)	-	-	-	(6,937)	-	-	-	-	(13,906)
From/(To) Intercompany	6	-	-	-	-	-	-	-	-	-	-
HST Paid	7	-	-	-	(215)	-	-	-	(1,255)	-	(1,471)
HST Refund (Remittance)	8	-	-	-	2,600	-	-	-	-	-	2,600
Debt Service & Restructuring Costs											
Scheduled Principal & Interest Payment	9	(6,352)	-	-	-	(6,352)	-	-	-	-	(12,703)
Proposal Trustee & its Counsel's Fees	10	-	-	-	(1,000)	-	-	-	(9,000)	-	(10,000)
Restructuring Costs	11	-	-	-	-	-	-	-	-	-	-
Total Disbursements		(13,321)	-	-	728	(13,289)	-	-	(10,912)	-	(36,794)
Projected Weekly Cash Flow		(13,321)	-	-	11,470	(13,289)	-	-	(170)	-	(15,309)
Cumulative Cash Flow		(13,321)	(13,321)	(13,321)	(1,851)	(15,139)	(15,139)	(15,139)	(15,309)	(15,309)	
Cash Balance											
Opening Cash Position		15,793	2,472	2,472	2,472	13,942	653	653	653	483	15,793
Projected Weekly Cash Flow		(13,321)	-	-	11,470	(13,289)	-	-	(170)	-	(15,309)
Ending Cash Position		\$ 2,472	\$ 2,472	\$ 2,472	\$ 13,942	\$ 653	\$ 653	\$ 653	\$ 483	\$ 483	\$ 483

Note A. Notes to the Unaudited cash flow forecast of the Company

In preparing this cash flow forecast (the “Cash Flow Forecast”) the Company has relied upon unaudited financial information and the Company has not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the Company and additional information discussed below with respect to the requirements of a *Bankruptcy and Insolvency Act* (“BIA”) filing. Since the Cash Flow Forecast is based upon assumptions of future events and conditions that are not ascertainable, the actual results achieved during the period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurances that any of the estimates, forecasts or projections will be realized.

Note A. Overview

The Cash Flow Forecast includes the receipts and disbursements of all of the Company during the Cash Flow Forecast period. The Company, with the assistance of BDO Canada Limited in its capacity as the proposal trustee of the Company (the “Trustee”) have prepared the Cash Flow Forecast based primarily on estimated disbursements related to the ongoing operations and to the BIA proceedings.



Caroline Bourret
General Manager

March 26th, 2024

Date



Clark Lonergan, CPA, CA, CIRP, LIT
Partner/Senior Vice President

March 26th, 2024

Date

Notes/Assumptions

- 1 Monthly recurring rent payment collected from the operating company (OEM Automotive Solutions Inc.) for premises located at 632 Pitt Street, Cornwall, ON.
- 2 Payment collected from the operating company (OEM Automotive Solutions Inc.) for gas, electricity and water costs.
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- 4 Payment paid on behalf of the operating company (OEM Automotive Solutions Inc.) for gas, electricity and water costs.
- 5 Based on current year's property tax statement.
- 6 Intercompany transfers to OEM Automotive Solutions to cover for professional fees and other operating expenses paid on behalf of OEM Automotive Holdings Inc.
- 7 Harmonized Sales Tax (HST) paid on disbursements.
- 8 Harmonized Sales Tax (HST) remittance is paid quarterly. Q1 2024 HST is expected to be filed April 2024 (quarterly filer).
- 9 Debt service payments for mortgage.
- 10 Costs of the Proposal Trustee and its counsel to the date of filing and thereafter.
- 11 Costs of the Company's counsel to the date of filing and monthly amounts thereafter.



Caroline Bourret
General Manager

March 26th, 2024
Date



Clark Lonergan, CPA, CA, CIRP, LIT
Partner /Senior Vice President

March 26th, 2024
Date

Third Report of the Proposal Trustee
Appendix “I”

AGREEMENT OF PURCHASE AND SALE

BETWEEN

BDO CANADA LIMITED,

solely in its capacity as the proposal trustee of OEM Automotive Solutions Inc., OEM Automotive Cornwall Inc. and OEM Automotive Holdings Inc., and not in its personal capacity or in any other capacity

- and -

**MARK MOTORS OF OTTAWA (1987) LIMITED AND
MRAK HOLDINGS INC.**

Dated: March 27, 2024

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AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made this 27th day of March, 2024.

BETWEEN:

BDO CANADA LIMITED,

solely in its capacity as the proposal trustee of OEM Automotive Solutions Inc., OEM Automotive Cornwall Inc. and OEM Automotive Holdings Inc.,
and not in its personal capacity or in any other capacity

(in such capacity, the “**Proposal Trustee**”)

- and -

**MARK MOTORS OF OTTAWA (1987) LIMITED AND
MRAK HOLDINGS INC.**

(collectively, the “**Purchaser**”)

WHEREAS OEM Automotive Solutions Inc. (“**Solutions**”), OEM Automotive Cornwall Inc. (“**Cornwall**”) and OEM Automotive Holdings Inc. (“**Holdings**”) (collectively, the “**Debtors**”) each filed a notice of intention to make a proposal (“**NOIs**”) pursuant to the *Bankruptcy and Insolvency Act* (the “**BIA**”) on December 22, 2023, pursuant to which BDO Canada Limited (“**BDO**”) was named as the proposal trustee (the “**Proposal Trustee**”);

AND WHEREAS the Debtors primarily operate as an automobile dealership under the style name of “Cornwall Volkswagen”;

AND WHEREAS Cornwall operates as a real estate holding company which owns the real property located at 628 Pitt Street, Cornwall, Ontario (the “**Body Shop Property**”) and Solutions operates as an automotive body shop from the Body Shop Property;

AND WHEREAS Holdings operates as a real estate holding company which owns the real property located at 632 Pitt Street, Cornwall, Ontario (the “**Dealership Property**”, together with the Body Shop Property, the “**Real Property**”) and Solutions operates the Cornwall Volkswagen dealership from the Dealership Property;

AND WHEREAS a sale and investment solicitation process with respect to the assets and business of the Debtors (the “**Sale Process**”) and the expansion of the Proposal Trustee’s powers were both, among other things, approved pursuant to an Order of the Honourable Justice A. Kaufman of the Ontario Superior Court of Justice (In Bankruptcy & Insolvency) (the “**Court**”) made on January 17, 2024 (the “**Sale Process Order**”);

AND WHEREAS pursuant to the provisions of the Sale Process Order, the Proposal Trustee has the power to, amongst other things, sell the Property (as defined in the Sale Process

Order) or any part or parts thereof out of the ordinary course of business with the approval of the Court;

AND WHEREAS the time referenced in section 50.4(9) of the BIA currently expires on April 14, 2024, and the Court is not authorized pursuant to section 50.4(9) of the BIA to extend the time referenced in such section beyond on or about June 21, 2024;

AND WHEREAS the Purchaser wishes to purchase the Purchased Assets (as defined herein) upon the terms and subject to the conditions set out herein;

NOW THEREFORE, in consideration of the promises, mutual covenants and agreements contained in this Agreement (as defined herein), and for other good and valuable consideration, the receipt and sufficiency of which are each hereby acknowledged by the Parties (as defined herein), the Parties agree as follows:

ARTICLE 1 DEFINED TERMS

1.1 Definitions.

In this Agreement:

“Accounts Receivable” means all those accounts receivable, trade accounts receivable, notes receivable, book debts or other debts owing to the Debtors as at the Closing Date;

“Accounts Payable” means all amounts relating to the Business owing to any Person which are incurred in connection with the purchase of goods or services in the ordinary course of business;

“Agreement” means this agreement of purchase and sale, including all schedules and all amendments or restatements, as permitted, and references to **“article”**, **“section”** or **“schedule”** mean the specified article, section of, or schedule to this Agreement and the expressions **“hereof”**, **“herein”**, **“hereto”**, **“hereunder”**, **“hereby”** and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement;

“Applicable Law” means, with respect to any Person, property, transaction, event or other matter, all applicable laws, statutes, regulations, rules, by-laws, ordinances, protocols, regulatory policies, codes, guidelines, official directives, orders, rulings, judgments and decrees of any Governmental Authority;

“Approval and Vesting Order” means the approval and vesting order issued by the Court approving this Agreement and the transactions contemplated by this Agreement and conveying to the respective Purchaser all of the Debtors' right, title and interest, if any, in and to the respective Purchased Assets free and clear of all Encumbrances other than the Permitted Encumbrances, and which order shall be in a form substantively similar to the draft order attached as **Schedule “A”** hereto;

“Assignable Assets” has the meaning given in section 3.1(3) herein;

“Assumption Agreement” has the meaning given in section 15.10 herein;

“BIA” has the meaning set out in the recitals hereof;

“Body Shop Property” has the meaning set out in the recitals hereof;

“Books and Records” means the files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise) pertaining to the Purchased Assets that have been delivered by the Proposal Trustee to the Purchaser at or before Closing;

“Business” means the business carried on or previously carried on by the Debtors, primarily as an automobile dealership under the style name “Cornwall Volkswagen”;

“Business Day” means a day on which banks are open for business in the City of Toronto but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario;

“Claims” means any and all claims, demands, complaints, grievances, actions, applications, suits, causes of action, orders, charges, indictments, prosecutions or other similar processes, assessments or reassessments, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including solicitor and client costs and disbursements, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing, related to the Debtors or the Purchased Assets, and **“Claim”** means any one of them;

“Closing” means the successful completion of the Transaction;

“Closing Date” means, unless otherwise agreed in writing by the Parties, the date that is the later of: (i) April 30, 2024; (ii) the first Business Day following the date that is 10 days following the date on which the Approval and Vesting Order is issued by the Court; and (iii) the first Business Day following the date on which any appeals or motions to set aside or vary the Approval and Vesting Order have been finally determined;

“Closing Employees” has the meaning given in section 3.4 herein;

“Closing Time” means 2:00 p.m. (Toronto time) on the Closing Date or such other time as agreed in writing by the Parties;

“Consents and Approvals” means the consents and approvals of all relevant third parties;

“Contracts” means, except for the Excluded Contracts, all of the contracts, licences, dealership licences or agreements, leases, subleases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements and engagements to which the Debtors are a party, the Debtors conduct Business or by which the Debtors, in their capacity as owner of the Purchased Assets are bound;

“Court” has the meaning set out in the recitals hereof;

“**Customer Contracts**” means any and all unfilled orders, commitments and other engagements entered into between any of the Debtors and one or more third parties relating to the sale of vehicles or vehicle parts and accessories or the provision of vehicle maintenance or repair services by any of the Debtors to such third parties in the ordinary course of the Business;

“**Dealership Property**” has the meaning set out in the recitals hereof;

“**Debtors**” have the meaning set out in the recitals hereof;

“**Deferred New Vehicles**” means undamaged new model vehicles used in the Business by the Debtors as at the close of Business on the Closing Date for which Volkswagen Canada or Volkswagen Group Canada Inc. (either, the “**Manufacturer**”) has invoiced the Debtors’ lender for the respective vehicle;

“**Demonstrator Vehicles**” means undamaged New Vehicles used in the Business by the Debtors as at the close of Business on the Closing Date for demonstration purposes and which has not been registered as sold vehicles with the Manufacturer;

“**Deposit**” has the meaning given in section 4.2 herein;

“**DIP Documents**” include: (i) the debtor-in-possession financing term sheet dated January 8, 2024 between the Debtors, as borrowers, and the DIP Lender, as lender; and (ii) the court-ordered priority interim financing charge over the Property in favour of the DIP Lender pursuant to the Sale Process Order;

“**DIP Lender**” means the Bank of Montreal;

“**Election**” has the meaning given in section 5.1 herein;

“**Employees**” has the meaning given in section 3.4 herein;

“**Employment Legislation**” means any and all Applicable Law applicable to employees, including without limitation employment standards legislation, labour relations legislation, human rights legislation, occupational health legislation, workers' compensation legislation and employment pension legislation;

“**Encumbrances**” means all liens, charges, security interests, pledges, title retention agreements, mortgages, charging, or creating a security interest in, the Purchased Assets or any part thereof or interest therein and any restrictions on use, development or similar agreements, easements, rights-of-way, title defects, options or adverse claims or encumbrances affecting title to the Purchased Assets;

“**Environmental Results**” means the Remediation/Management Option Evaluation and Cost Estimate Letter from Pinchin Ltd. regarding the Real Property;

“**ETA**” means the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended;

“Excluded Assets” means all the Debtors’ right, title and interest in and to the Property other than the Purchased Assets, which Excluded Assets include the Debtors’ right, title and interest, if any, in and to the following:

- (a) any of the Debtors’ cash or cash equivalents;
- (b) original tax records and books and records pertaining thereto, minute books, corporate seals, taxpayer and other identification numbers and other documents relating to the organization, maintenance and existence of the Debtors that do not relate exclusively or primarily to any of the Purchased Assets;
- (c) the benefit of any refundable Taxes payable or paid by the Debtors in respect of the Purchased Assets and applicable to the period prior to the Closing Date net of any amounts withheld by any taxing authority, and any claim or right of the Debtors to any refund, rebate, or credit of Taxes for the period prior to the Closing Date;
- (d) the Accounts Receivable;
- (e) the interest of the Debtors in any litigation and in the proceeds of any judgement or order thereof (including the Litigation Claim);
- (f) the interest of the Debtors in any insurance policies, including any cash surrender value thereof;
- (g) those tools used by mechanics employed in the Business which are owned by the mechanics;
- (h) individual New Vehicles and/or Used Vehicles for which the Purchaser and the Proposal Trustee cannot agree on its value;
- (i) Work in Progress; and
- (j) the Excluded Contracts.

“Excluded Contracts” mean: (i) the DIP Documents;

“Excluded Employees” are employees or former employees of the Debtors that are not or will not be employed by the Purchaser at the Closing Date;

“Excluded Liabilities” has the meaning given in section 3.3 herein;

“Governmental Authority” means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, republic, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative,

policy, regulatory or taxing authority or power, and “**Governmental Authority**” means any one of them;

“**HST**” means harmonized sales tax imposed under Part IX of the ETA;

“**Interim Period**” means the period from and including the date of this Agreement to and including the Closing Date;

“**ITA**” means the *Income Tax Act*, R.S.C. 1985, c.1, as amended;

“**Licence Rights**” means all licences and distribution rights relating to the Business;

“**Litigation Claim**” means the outstanding Judgment of the Ontario Superior Court of Justice, Court File No. CV-23-00091216-0000, with the style of cause: *Seaway Auto Group Inc. and OEM Automotive Solutions Inc. and Cameron Grant, 11678833 Canada Inc. and Christopher Grant*, made on June 28, 2023, in favour of Seaway Auto Group Inc. and OEM Automotive Solutions Inc. against Cameron Grant, 11678833 Canada Inc. and Christopher Grant, in the approximate amount of \$573,000 plus pre-judgment and post-judgment interest, costs, disbursements, fees and expenses;

“**Manufacturer**” means Volkswagen Canada, Volkswagen Group Canada Inc. or a related company;

“**Net Price**” means with respect to New Vehicles, Deferred New Vehicles, and Demonstrator Vehicles, the factory invoice cost for such New Vehicles, Deferred New Vehicles or Demonstrator Vehicles, as the case may be, plus accepted dealer installed accessories at new car department cost, less any manufacturer rebates and allowances which have been received or which are payable to the Debtors;

“**New Vehicles**” means 2023 and 2024 models which are undamaged [with less than two hundred (200) kilometers] and which have not been registered as sold vehicles with the Manufacturer comprising part of the Debtor's inventory of vehicles as at the close of business on the Closing Date;

“**Notice**” has the meaning given in section 15.3 herein;

“**Obsolete Inventory**” means all Manufacturer parts and accessories which are more than twelve (12) months old from April 1, 2024. Obsolete Inventory shall also include parts and accessories which were not initially provided by the Manufacturer and includes operating supplies such as cleaning materials, washer fluid, brake cleaner, and other automotive related supplies;

“**OMVIC**” means the Ontario Motor Vehicle Industry Council;

“**Parties**” means the Proposal Trustee and the Purchaser;

“**Parts and Accessories**” means the current new parts and accessories comprising part of the Debtor's inventory at the close of business on the Closing Date but specifically excludes Obsolete Inventory;

“Permits” means all the authorizations, registrations, permits, certificates of approval, approvals, consents, commitments, rights or privileges issued, granted or required by any Governmental Authority in respect of the Purchased Assets;

“Permitted Encumbrances” means all those Encumbrances described in **Schedule “B”** hereto;

“Person” means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted;

“Property” has the meaning set out in the recitals hereof including all of the Debtors’ current and future assets, undertakings and properties of every nature and kind whatsoever and wherever situate;

“Proposal Trustee” has the meaning set out in the recitals hereof;

“Proposal Trustee’s Certificate” has the meaning set out in section 6.3 herein;

“Purchase Price” has the meaning set out in section 4.1 herein;

“Purchased Assets” means all of the Debtors’ right, title and interest in and to the Property other than the Excluded Assets and the Excluded Liabilities, which Purchased Assets include the Debtors’ right, title and interest, if any, in and to the following:

- (k) the Real Property;
- (l) all New Vehicles, Deferred New Vehicles and Demonstrator Vehicles of the Business as at the Closing Date;
- (m) all Used Vehicles which have been identified by the Debtors and the Purchaser to be included in the Purchased Assets not less than fifteen (15) Business Days prior to the Closing Date. In the event that the Debtors and the Purchaser have not specifically identified a Used Vehicle to be included in the Purchased Assets, such Used Vehicle shall be an Excluded Asset;
- (n) the Parts and Accessories inventory of the Business as of the Closing Date;
- (o) Customer Contracts;
- (p) the Contracts, but only to the extent transferable to the Purchaser or the Purchaser’s permitted assignees;
- (q) the full benefit of all prepaid expenses and all deposits with any Person, public utility or Governmental Authority relating to the Contracts or Customer Contracts;
- (r) the Permits and Licence Rights, but only to the extent transferable to the Purchaser or the Purchaser’s permitted assignees;

- (s) all machinery, equipment, tools, furniture, furnishings, computer hardware and other miscellaneous items used in or relating to the Business but specifically excluding those tools owned by the mechanics of the Business (the “**Equipment**”);
- (t) all right, title and interest of the Debtors in and under leases of equipment used or relating to the Business that are assignable and subject to the Purchaser's review and acceptance of such contracts or leases prior to the Closing Date;
- (u) the goodwill of the Business (the “**Goodwill**”); and
- (v) the Warranty Rights.

“**Purchaser**” means collectively Mark Motors of Ottawa (1987) Limited (“**Mark Motors**”) and Mrak Holdings Inc. (“**Mrak Holdings**”) and/or the Purchasers’ designee defined or identified in the Approval and Vesting Order;

“**Real Property**” has the meaning set out in the recitals hereof and particularly means the the real property municipally known as 632 Pitt Street, Cornwall, Ontario, legally described as Part Lot 16 South Side Seventh Street Plan Cornwall, Parts 1 and 2, 52R4375; City of Cornwall (PIN 60180 - 0282 LT) and the real property municipally known as 628 Pitt Street, Cornwall, Ontario, legally described as Part Lot 16 South Side Seventh Street Plan Cornwall, Part 2, 52R2252; Cornwall (PIN 60180 - 0067 LT);

“**Rights**” has the meaning given in section 3.1(3) herein, but only has such meaning in such section;

“**Sale Process Order**” has the meaning set out in the recitals hereof;

“**Taxes**” means all taxes, HST, land transfer taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, harmonized, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, excise, real property and personal property taxes, and any related interest, fines and penalties, imposed by any Governmental Authority, and whether disputed or not;

“**Third Party**” has the meaning given in section 3.1(3) herein;

“**Transaction**” means the transaction of purchase and sale contemplated by this Agreement;

“**Used Vehicles**” means the unsold vehicles, if any, (together with all options thereon) comprising part of the Debtor's inventory of vehicles at the close of Business on the Closing Date that are not New Vehicles, Deferred New Vehicles or Demonstrator Vehicles;

“**Warranty Rights**” means the full benefit of all warranties, warranty rights, performance bonds and indemnities (implied, express or otherwise) of the Debtors against manufacturers, contractors or any other Person which apply to the Purchased Assets, but only to the extent that the same are capable of being assigned; and

“**Work in Progress**” means all unbilled service, body work and parts supplied to a customer or performed on or added to a customer’s vehicle and includes sublet repairs that is not more than 30 days old on the Closing Date, other than Work in Progress that has not been completed due to a delay in Solutions receiving the required parts needed to complete the Work in Progress

ARTICLE 2 SCHEDULES

2.1 Schedules.

The following schedules are incorporated in and form part of this Agreement:

<u>Schedule</u>	<u>Description</u>
Schedule A	Approval and Vesting Order
Schedule B	Permitted Encumbrances
Schedule C	Sale Process Order

ARTICLE 3 AGREEMENT TO PURCHASE

3.1 Purchase and Sale of Purchased Assets.

- (1) Relying on the representations and warranties herein and the powers granted to it by, amongst other things, the Sale Process Order, the Proposal Trustee hereby agrees to sell, assign, convey and transfer the Real Property to Mrak Holdings and the Purchased Assets save and except the Real Property to Mark Motors, and Mrak Holdings hereby agrees to purchase the Real Property and Mark Motors hereby agrees to purchase the Purchased Assets save and except the Real Property, free and clear of all Encumbrances other than the Permitted Encumbrances.
- (2) Upon the Closing, the Proposal Trustee shall hereby remise, release and forever discharge all of its rights, claims and demands whatsoever in the Purchased Assets.
- (3) This Agreement or any document delivered in connection with this Agreement shall not constitute an assignment of any rights, benefits or remedies (in this section 3.1(3), collectively, the “**Rights**”) under any Permits, Licence Rights, Warranty Rights, Customer Contracts, Contracts, automobile and equipment leases or lease portfolios in relation to the Business or Consents and Approvals (collectively, the “**Assignable Assets**”) that form part of the Purchased Assets and which are not assignable by the Proposal Trustee to the Purchaser without the required consent and/or approval of the other party or parties thereto (collectively, the “**Third Party**”). To the extent any such consent is required and not obtained by the Proposal Trustee or Purchaser prior to the Closing Date, then, to the extent permitted by Applicable Law:
 - (a) the Proposal Trustee will, at the request, direction and sole cost of the Purchaser, acting reasonably, assist the Purchaser, in a timely manner and on a commercially reasonable best-efforts basis, in applying for and obtaining all Third Party consents

and/or approvals required to assign the Assignable Assets to the Purchaser in a form satisfactory to the Proposal Trustee and the Purchaser, acting reasonably, and take such actions and do such things as may be reasonably and lawfully designed to attempt to provide the benefits of the Assignable Assets to the Purchaser, including holding those Assignable Assets in trust for the benefit of the Purchaser or acting as agent for the Purchaser pending such assignment;

- (b) the Proposal Trustee will only deal with or make use of such Rights in accordance with the directions of the Purchaser; and
 - (c) in the event that the Proposal Trustee receives funds with respect to those Assignable Assets, the Proposal Trustee will promptly pay over to the Purchaser all such funds collected by the Proposal Trustee, net of any outstanding costs provided in subsection (a) above.
- (4) The Proposal Trustee acknowledges that Mrak Holdings will take title to the Real Property and that Mark Motors will take title to the Purchased Assets save and except the Real Property.

3.2 Excluded Assets.

Notwithstanding anything else in this Agreement, the Purchased Assets shall not include the Excluded Assets.

3.3 Excluded Liabilities.

With the exception of the Permitted Encumbrances, the Purchaser is not assuming, and shall not be deemed to have assumed any liabilities, obligations or commitments of the Debtors or the Proposal Trustee or of any other Person, whether known or unknown, fixed or contingent or otherwise, including any debts, obligations, sureties, positive or negative covenants or other liabilities directly or indirectly arising out of or resulting from the conduct or operation of the Business or the Purchased Assets or the Debtors' ownership or interest therein, whether pursuant to this Agreement or as a result of the Transaction (collectively, the "**Excluded Liabilities**"). For greater certainty, the Excluded Liabilities shall include, but not be limited to, the following:

- (a) except as otherwise agreed in this Agreement, all Taxes payable by the Debtors arising with respect to any period prior to the Closing Date and all Taxes payable relating to any matters or assets other than the Purchased Assets arising with respect to the period from and after the Closing Date;
- (b) any liability, obligation or commitment associated with the Accounts Payable or any employees of the Debtors;
- (c) any liability, obligation or commitment resulting from an Encumbrance that is not a Permitted Encumbrance;
- (d) any liability, obligation or commitment associated with any of the Excluded Assets; and

- (e) any liability, obligation or commitment of the Debtors in respect to Claims arising from or in relation to any facts, circumstances, events or occurrences existing or arising prior to the Closing Date.

3.4 Employees

- (a) The Debtors shall be responsible for the payment of all remittances and all accrued or earned and outstanding compensation owing to the employees of the Debtors (the "**Employees** ") up to the day preceding the Closing Date in accordance with the Applicable Law including the Employment Legislation and BIA, including without limitation, any salary, wages, overtime, holiday pay, benefits, commissions, bonuses, and incentive payments owing pursuant to their employment agreements.
- (b) The Purchaser shall have the opportunity to interview all Employees on or before the Closing Date in order to select which Employees it wishes to offer continued employment to. The Purchaser shall offer continued employment to all Employees of the Debtors, other than to the Excluded Employees, the current dealer principal and family members of the current dealer principal, who are employed by the Debtors on the Closing Date on comparable terms and conditions of employment, by offering each of those Employees a position, compensation and benefits that are comparable in the aggregate to those provided to the Employees, and recognizing the Employees' years of service with the Debtors.
- (c) The Purchaser will recognize the service of the Closing Employees, as hereinafter defined up to the Closing Date as if such service had occurred with the Purchaser. The Purchaser will, on the Closing Date, provide to the Proposal Trustee a list of the Employees who did not accept the Purchaser's offer of employment, and the Employees who accept the Purchaser's offer of employment are referred to herein as the "**Closing Employees**".
- (d) The Debtors shall be liable in accordance with the Applicable Law including the Employment Legislation and BIA for the payment of wages, salaries, bonuses, pension, or other benefits, severance pay, notice, or pay in lieu of notice, and holiday pay, up to the day preceding the Closing Date in respect of all Excluded Employees and all of the Employees who did not accept the Purchaser's offer of employment.
- (e) The Purchaser shall be liable in accordance with the Applicable Law including the Employment Legislation and BIA for the payment of wages, salaries, bonuses, pension, or other benefits, severance pay, notice, or pay in lieu of notice, and holiday pay for the Closing Employees from Closing Date forward, and the Purchaser shall indemnify and save the Debtors harmless from and against all claims, demands, suits, actions, causes of actions, losses, damages, costs and expenses which may be brought against the Debtors by any Closing Employees pertaining to matters from the Closing Date forward. This indemnity shall survive Closing.

- (f) Effective as of the Closing Date, the Closing Employees shall cease participation in any Debtors' Benefit Plans. Also, effective as of the Closing Date, the Purchaser shall establish or cause to be established Benefit Plans for the Closing Employees that are substantially equivalent (or better) to the Debtors' applicable Benefit Plans, as disclosed to the Purchaser as being provided to Employees immediately prior to the Closing Date. Closing Employees shall commence participation in the Purchaser's benefit plan effective as of the Closing Date.
- (g) In respect to the Closing Employees, the Purchaser's benefit plan shall be responsible for all claims based on facts arising after the Closing Date, regardless of when filed or reported. The Debtors' Benefit Plan, if applicable, shall remain responsible for all claims based on facts arising before the Closing Date, regardless of when filed or reported.

ARTICLE 4

PURCHASE PRICE AND SATISFACTION OF PURCHASE PRICE

4.1 Purchase Price.

- (1) The purchase price for the Purchased Assets shall be determined based on the aggregate of the following, subject to adjustments provided for in this Agreement (collectively, the **"Purchase Price"**).
- (2) The Purchase Price payable by the Purchaser to the Proposal Trustee for the Purchased Assets will be the aggregate of the following amounts:
 - (a) [REDACTED] to be allocated to the Real Property;
 - (b) [REDACTED] to be allocated to the Goodwill of the Business;
 - (c) the New Vehicles and Deferred New Vehicles, at an amount equal to the Net Price for each New Vehicle and Deferred New Vehicle; provided, for greater certainty, the Purchaser shall not be required to purchase previously registered New Vehicles;
 - (d) the Demonstrator Vehicles, at an amount equal to the Net Price for each Demonstrator Vehicle less depreciation of an amount agreed upon by the Parties; provided, if a Demonstrator Vehicle has been previously registered, the Purchase Price shall be reduced by an amount agreed upon by the Parties;
 - (e) the Used Vehicles, at an amount agreed by the Parties acting reasonably for each such Used Vehicle at the time such Used Vehicle is identified as forming part of the Purchased Assets in accordance with this Agreement;

- (f) the Parts and Accessories, at an amount equal to the Debtors' invoice cost for such Parts and Accessories, provided that such Parts and Accessories shall not include Obsolete Inventory, it being understood and agreed that the Purchase Price payable by the Purchaser for the Obsolete Inventory shall be at an amount to be negotiated by the Parties;
- (g) the Equipment used in or relating to the Business, shall be at an amount to be negotiated by the Parties; and
- (h) for the remaining Purchased Assets, at an amount to be negotiated by the Parties.

4.2 Deposit.

- (1) The Parties agree and acknowledge that the Purchaser paid to the Proposal Trustee in accordance with the Sale Process a non-refundable deposit in immediately available funds equal to the greater of: an amount of not less than [REDACTED] of the Purchase Price or [REDACTED] (the "**Deposit**"), which Deposit shall be held in accordance with the provisions of the Sale Process and this Agreement pending completion or other termination of this Agreement and shall be applied against and towards the Purchase Price due on completion of the Transaction on the Closing Date.
- (2) The Parties agree and acknowledge that the Proposal Trustee has caused the Deposit to be placed in a non-interest bearing account and shall be credited to the Purchaser on the Closing Date.

4.3 Satisfaction of Purchase Price.

The Purchaser shall indefeasibly pay and satisfy the Purchase Price as follows:

- (a) the Deposit shall be applied against the Purchase Price; and
- (b) the remainder of the Purchase Price, being the net amount owing after deducting the Deposit from the Purchase Price and subject to the adjustments contemplated in sections 4.5 and 15.22 hereof, shall be paid by the Purchaser to the Proposal Trustee on Closing.

4.4 Allocation of Purchase Price.

The Parties, acting reasonably and in good faith, covenant to use best efforts to agree to allocate the Purchase Price amongst the Purchased Assets in a mutually agreeable manner on or prior to the Closing Time, provided that failure of the Parties to agree upon an allocation shall not result in the termination of this Agreement but rather shall result in the nullity of the application of this section of the Agreement such that each Party shall be free to make its own reasonable allocation. At minimum, the allocation of the Purchase Price shall include an allocated amount or price for each of the following Purchased Assets: Body Shop Property; Dealership Property; New Vehicles; Used Vehicles; Parts & Accessories; Equipment; and Goodwill.

4.5 Adjustment of Purchase Price.

- (1) The Purchase Price shall be adjusted as of the Closing Time in a manner and amount to be agreed upon by the Parties, acting reasonably, for any property taxes (including interest thereon), utilities and any other items which are usually adjusted in purchase transactions involving assets similar to the Purchased Assets in the context of a Court-supervised sale, including, without limitation, prepaid rent and security deposits (if any). The Proposal Trustee shall prepare a statement of adjustments and deliver same with all supporting documentation to the Purchaser for its approval by no later than the Closing Date. If the amount of any adjustments required to be made pursuant to this Agreement cannot be reasonably determined as of the Closing Date, an estimate shall be agreed upon by the Parties as of the Closing Date based upon the best information available to the Parties at such time, each Party acting reasonably, and such estimate shall serve as a final determination.
- (2) Following the physical count by the Parties to occur not later than two days prior to the Closing Date, the Purchase Price shall be adjusted, if necessary, by the actual value of New Vehicles, Deferred New Vehicles, Demonstrator Vehicles, Used Vehicles, Parts and Accessories and any other Purchased Assets calculated in accordance with Section 4.1 above and such other adjustments as may be necessary to reflect the accurate amounts of the value of the Purchased Assets, all as set out in Section 4.1 above and shall make such other adjustments as are customary in transactions of a similar nature, including adjustment for assumed Contracts, customer deposits or other liabilities, if applicable, of the Debtors for the period prior to Closing. The Parties agree that any payment required to be made by one party to the other for adjustments pursuant to this section shall be made within ten (10) Business Days following agreement on such adjustments.
- (3) If the Proposal Trustee and Purchaser cannot resolve all matters that may be in dispute with respect to such post-closing adjustments as described in this section within ninety (90) days of the Closing Date, then all unresolved matters will be submitted to an Arbitrator to be agreed jointly by the Purchaser's and Proposal Trustee's counsel (the "**Arbitrator**") for resolution. Each of the parties warrants and represents that it does not currently engage the Arbitrator as its accountant or auditor or consultant. The Arbitrator will be given access to all materials and information reasonably requested by it for such purposes. The rules and procedures to be followed in the arbitration proceedings will be determined by the Arbitrator in its discretion. The Arbitrator will make its determination as soon as practical and, in any case, within thirty (30) days of the matter being submitted to it. The Arbitrator's determination of all such matters will be final and binding on all parties and will not be subject to appeal by any party. The fees and expenses of the Arbitrator will be borne by the party whose position prior to Arbitration was further away from the Arbitrator's decision.
- (4) Other than as provided for in this section 4.5 and section 15.22 hereof, there shall be no adjustments to the Purchase Price.

ARTICLE 5 TAXES

5.1 Taxes.

The Purchaser shall be responsible for all federal and provincial sales taxes, land transfer tax, goods and services, HST and other similar taxes and duties and all registration fees payable upon or in connection with the conveyance or transfer of the Purchased Assets to the Purchaser. If the sale of the Purchased Assets is subject to HST, then such tax shall be in addition to the Purchase Price. The Proposal Trustee will not collect HST if the Purchaser provides to the Proposal Trustee a warranty that it is registered under the ETA, together with a copy of the required ETA registration at least five (5) Business Days prior to Closing, a warranty that the Purchaser shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Proposal Trustee in respect of any HST payable. At the option and request of the Purchaser, the Purchaser and the Proposal Trustee shall elect jointly under subsection 167(1) of the *Excise Tax Act* (Canada) in the form prescribed for the purposes of that subsection (the “**Election**”), in respect of the sale and transfer of the Purchased Assets. The Purchaser shall file the Election with its HST return for its reporting period that includes the Closing Date. The foregoing warranties shall not merge but shall survive the completion of the Transaction.

ARTICLE 6 CLOSING ARRANGEMENTS

6.1 Closing and Closing Procedure.

Closing shall take place at the Closing Time on the Closing Date by means of an electronic Closing in which the Closing deliverables will be delivered by e-mail exchange of signature pages in PDF or functionally equivalent electronic format, which delivery will be effective without any further physical exchange of the originals or copies of the originals, or at such other time or at such other place as the Parties may agree in writing.

6.2 Tender.

Any tender of documents or money under this Agreement may be made upon the Parties or their respective lawyers, and money shall be tendered by wire transfer of immediately available funds to the account specified by the receiving Party.

6.3 Proposal Trustee’s Closing Deliverables.

The Proposal Trustee covenants to execute, where applicable, and deliver the following to the Purchaser at Closing or on such other date as expressly provided herein:

- (1) a copy of the issued and entered Approval and Vesting Order and the attached Proposal Trustee’s Certificate;
- (2) a statement of adjustments prepared in accordance with section 4.5 hereof;

- (3) an undertaking by the Proposal Trustee to readjust the adjustments set out in section 4.5 hereof;
- (4) an assignment and assumption agreement for all Warranty Rights, Permits, Contracts, Consents and Approvals pertaining to the Purchased Assets (to the extent assignable) relating to the period from and after the Closing Date, and to the extent not assignable, an agreement to hold same in trust for the Purchaser;
- (5) a certificate from the Proposal Trustee, dated as of the Closing Date, certifying (collectively, the **“Proposal Trustee’s Certificate”**):
 - (a) that, except as disclosed in the certificate, the Proposal Trustee has not been served with any notice of appeal with respect to the Approval and Vesting Order, or any notice of any application, motion or proceedings seeking to set aside or vary the Approval and Vesting Order or to enjoin, restrict or prohibit the Transaction;
 - (b) that all representations, warranties and covenants of the Proposal Trustee contained in this Agreement are true as of the Closing Time, with the same effect as though made on and as of the Closing Time; and
 - (c) the non-merger specified in section 15.2 and elsewhere herein.
- (6) an acknowledgement, dated as of the Closing Date, that each of the conditions in section 7.1 hereof has been fulfilled, performed or waived as of the Closing Time; and
- (7) such further documentation relating to the completion of the Transaction as shall be otherwise referred to herein or required by the Purchaser, acting reasonably, Applicable Law or any Government Authority.

6.4 Purchaser’s Closing Deliverables.

The Purchaser covenants to execute, where applicable, and deliver the following to the Proposal Trustee at Closing or on such other date as expressly provided herein:

- (1) the indefeasible payment and satisfaction in full of the Purchase Price according to section 4.3 hereof;
- (2) an undertaking by the Purchaser to readjust the adjustments set out in section 4.5 hereof;
- (3) an acknowledgement, dated as of the Closing Date, that each of the conditions in section 7.3 hereof has been fulfilled, performed or waived as of the Closing Time;
- (4) an assignment and assumption agreement for all Warranty Rights, Permits, Contracts, Consents and Approvals pertaining to the Purchased Assets (to the extent assignable) relating to the period from and after the Closing Date, and to the extent not assignable, an agreement to hold same in trust for the Purchaser;
- (5) a certificate from the Purchaser, dated as of the Closing Date, certifying:

- (a) that all representations, warranties and covenants of the Purchaser contained in this Agreement are true as of the Closing Time, with the same effect as though made on and as of the Closing Time; and
- (b) the non-merger specified in section 15.2 and elsewhere herein;
- (6) if necessary, payment or evidence of payment of HST applicable to the Purchased Assets or, if applicable, appropriate tax exemption certificates with respect to HST in accordance with Article 5 hereof; and
- (7) such further documentation relating to the completion of the Transaction as shall be otherwise referred to herein or required by the Proposal Trustee, acting reasonably, Applicable Law or any Government Authority.

6.5 Proposal Trustee's Certificate.

Upon receipt of written confirmation from the Purchaser that all of the conditions contained in section 7.3 have been satisfied or waived by the Purchaser, and upon satisfaction or waiver by the Proposal Trustee of all of the conditions contained in section 7.1, the Proposal Trustee shall forthwith deliver to the Purchaser the Proposal Trustee's Certificate comprising Schedule "A" of the Approval and Vesting Order, and shall file same with the Court.

ARTICLE 7 CONDITIONS PRECEDENT TO CLOSING

7.1 Conditions in Favour of the Proposal Trustee.

The obligation of the Proposal Trustee to complete the Transaction is subject to and conditional upon the satisfaction of the following conditions on or before the Closing Date:

- (1) all the representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects on the Closing Date;
- (2) all the covenants of the Purchaser contained in this Agreement to be performed on or before the Closing Date shall have been duly performed by the Purchaser;
- (3) the Purchaser shall have complied with all the terms contained in this Agreement applicable to the Purchaser prior to the Closing Date;
- (4) there shall be no Claim, litigation or proceedings commenced after the date of the Sale Process Order, or order issued by a Governmental Authority after the date of the Sale Process Order, against either of the Parties for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper;
- (5) the Purchaser or Mark Motors shall take all reasonable steps on a timely basis to apply for the requisite approvals of the Manufacturer (i.e., Volkswagen Canada or Volkswagen Group Canada Inc.) and OMVIC (the Ontario Motor Vehicle Industry Council); and

- (6) the Court shall have issued the Approval and Vesting Order.

7.2 Conditions in Favour of Proposal Trustee Not Fulfilled.

If any of the conditions contained in section 7.1 hereof is not fulfilled on or prior to the Closing Date and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Proposal Trustee, then the Proposal Trustee may, at its sole discretion, and without limiting any rights or remedies available to it at law or in equity:

- (1) terminate this Agreement by notice to the Purchaser, in which event the Proposal Trustee shall be released from its obligations under this Agreement to complete the Transaction; or
- (2) waive compliance with any such condition without prejudice to the right of termination in respect of the non-fulfillment of any other condition.

7.3 Conditions in Favour of the Purchaser.

The obligation of the Purchaser to complete the Transaction is subject to and conditional upon the satisfaction of the following conditions on or before the Closing Date (or on or before such other date as specified below):

- (1) all the representations and warranties of the Proposal Trustee contained in this Agreement shall be true and correct in all material respects on the Closing Date;
- (2) all the covenants of the Proposal Trustee under this Agreement to be performed on or before the Closing Date shall have been duly performed by the Proposal Trustee;
- (3) the Proposal Trustee shall have complied with all the terms contained in this Agreement applicable to the Proposal Trustee prior to the Closing Date;
- (4) there shall be no Claim, litigation or proceedings commenced after the date of the Sale Process Order, or order issued by a Governmental Authority after the date of the Sale Process Order, against either of the Parties for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper;
- (5) the Manufacturer shall have approved the Purchaser or Mark Motors as a dealer authorized to sell and service the Manufacturer's vehicles from the Dealership Property and Body Shop Property, such approval to be on terms and conditions satisfactory to the Purchaser or Mark Motors. Such approval shall be evidenced by the execution and delivery of the applicable dealer agreement between the Manufacturer and the Purchaser or Mark Motors or on an acceptable form of letter of intent to enter into the dealer agreement;
- (6) OMVIC shall have approved the application for registration of the Purchaser or Mark Motors; and

- (7) the Court shall have issued the Approval and Vesting Order.

7.4 Conditions in Favour of Purchaser Not Fulfilled.

If any of the conditions contained in section 7.3 hereof is not fulfilled on or prior to the Closing Date (or such other date as referenced in section 7.3 hereof) and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Purchaser, then the Purchaser may, in its sole discretion and without limiting its rights or remedies available at law or in equity:

- (1) terminate this Agreement by notice to the Proposal Trustee, in which event the Purchaser and the Proposal Trustee shall be released from their obligations under this Agreement to complete the Transaction; or
- (2) waive compliance with any such condition without prejudice to the right of termination in respect of the non-fulfillment of any other condition.

ARTICLE 8 REPRESENTATIONS & WARRANTIES OF THE PROPOSAL TRUSTEE

The Proposal Trustee represents and warrants to the Purchaser as follows, with the knowledge and expectation that the Purchaser is placing complete reliance thereon and, but for such representations and warranties, the Purchaser would not have entered into this Agreement:

- (1) the Proposal Trustee has all necessary power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action on the part of the Proposal Trustee, subject to the Approval and Vesting Order. This Agreement is a valid and binding obligation of the Proposal Trustee enforceable in accordance with its terms;
- (2) the Court has granted to the Proposal Trustee the full right, power and authority to enter into this Agreement, perform its obligations hereunder, and convey the Purchased Assets to the Purchaser; and
- (3) the Proposal Trustee and the Debtors are not non-residents of Canada for the purposes of the ITA.

ARTICLE 9 REPRESENTATIONS & WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Proposal Trustee as follows, with the knowledge and expectation that the Proposal Trustee is placing complete reliance thereon and, but for such representations and warranties, the Proposal Trustee would not have entered into this Agreement:

- (1) each Purchaser is a corporation duly formed and validly subsisting under the laws of the Province of Ontario;

- (2) each Purchaser has all necessary corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. Neither the execution of this Agreement nor the performance by the Purchaser of the Transaction will violate the Purchasers' constating documents, any agreement to which the Purchaser is bound, any judgment or order of a court of competent jurisdiction or any Government Authority, or any Applicable Law. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement is a valid and binding obligation of the Purchaser enforceable in accordance with its terms;
- (3) each Purchaser is or will be a registrant under Part IX of the ETA on the Closing Date; and
- (4) each Purchaser has not committed an act of bankruptcy, is not insolvent, has not proposed a compromise or arrangement to its creditors generally, has not had any application for a bankruptcy order filed against it, has not taken any proceeding and no proceeding has been taken to have a receiver appointed over any of its assets, has not had an encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or levied against any of its property.

ARTICLE 10 COVENANTS

10.1 Mutual Covenants.

Each of the Proposal Trustee and the Purchaser hereby covenants and agrees that, from the date hereof until Closing, each shall take all such actions as are necessary to have the Transaction approved in the Approval and Vesting Order on substantially the same terms and conditions as are contained in this Agreement, and to take all commercially reasonable actions as are within its power to control, and to use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with each of the conditions set forth in Article 7 hereof.

10.2 Proposal Trustee Covenants.

The Proposal Trustee hereby covenants and agrees that, from the date hereof until Closing, it shall take all such actions as are necessary to provide to the Purchaser all necessary information in respect of the Debtors and the Purchased Assets reasonably required to complete the applicable Election or tax elections in accordance with section 5.1 hereof and to execute all necessary forms related thereto.

10.3 Purchaser Covenants.

- (a) The Purchaser hereby covenants and agrees that, except as expressly contemplated in this Agreement, from the date hereof until the Closing Date, it shall take all such actions as are necessary to provide to the Proposal Trustee all necessary information in respect of the Purchaser reasonably required to complete the applicable Election

or tax elections in accordance with section 5.1 hereof and to execute all necessary forms related thereto.

- (b) The Purchaser hereby covenants and agrees that it will receive the Accounts Receivable of the Debtors in trust and will provide the same to the Debtors. The Purchaser will use best efforts on a commercially reasonable basis to collect the Debtors' Accounts Receivable for a period of 180 days after the Closing, but the Purchaser will have no obligation to spend any money on such collections or commence, participate in or conclude any action or proceeding with respect to such collection.

ARTICLE 11

POSSESSION AND ACCESS PRIOR TO CLOSING

11.1 Possession of Purchased Assets.

At the Closing Time, the Purchaser shall take possession of the Purchased Assets where situated. In no event shall the Purchased Assets be sold, assigned, conveyed or transferred to the Purchaser until all the conditions set out in the Approval and Vesting Order have been satisfied or waived and the Purchaser has satisfied or the Proposal Trustee has waived all the delivery requirements outlined in section 7.1 hereof.

11.2 Examination of Title and Access to the Purchased Assets.

- (1) The Purchaser acknowledges and agrees that it shall, at its own cost and expense (regardless of results), examine title to the Purchased Assets and the Real Property, and satisfy itself as to the state thereof, satisfy itself as to outstanding work orders affecting the Purchased Assets and the Real Property, satisfy itself as to the use of the Purchased Assets and the Real Property being in accordance with applicable zoning requirements and satisfy itself that any and all buildings and structures on the Real Property may be insured to the satisfaction of the Purchaser. The Purchaser further acknowledges that, notwithstanding any statutory provisions to the contrary, the Purchaser has no right to submit requisitions in regard to any outstanding work orders, deficiency notices or orders to comply issued by any Government Authorities. The Purchaser further acknowledges and agrees that it shall not call upon the Proposal Trustee to produce any title deed, abstract of title, survey or other evidence of title that is not within the Proposal Trustee's possession or control.
- (2) Subject to the rights of any occupants of the Real Property, the Purchaser and its agents and representatives may have reasonable access to the Purchased Assets and the Real Property during normal business hours in the Interim Period for the purpose of enabling the Purchaser, at its sole cost and expense (regardless of results), to conduct such non-destructive, non-invasive inspections of the Purchased Assets and the Real Property as it deems appropriate, provided that such inspections shall not unduly interfere (and the Purchaser undertakes to use its best efforts, which the Purchaser represents and warrants shall not be less than reasonable commercial efforts, not to so interfere) with the use,

operation and enjoyment of the Purchased Assets, Business or the Real Property. The Purchaser agrees that such tests and inspections shall not include any tests or inspections by any Governmental Authority and specifically acknowledges and agrees that it shall not request or, through its actions, prompt or cause any tests or inspections to be made by any Governmental Authority. Such inspection may, if the Proposal Trustee so desires, be conducted in the presence of a representative of the Proposal Trustee.

- (3) The Purchaser covenants and agrees to repair or pay the costs to repair any damage occasioned during or resulting from the inspection of the Purchased Assets or the Real Property conducted by the Purchaser or its authorized representatives, as outlined above, and to return the Purchased Assets and the Real Property to substantially the condition same were in prior to such inspections. The Purchaser covenants and agrees to indemnify and save the Proposal Trustee harmless from and against all losses, costs, claims, third party claims, damages, expenses (including actual legal costs) which the Proposal Trustee may suffer as a result of the inspection of the Purchased Assets or the Real Property conducted by the Purchaser or its authorized representatives, as outlined above.

11.3 Risk.

- (1) The Purchased Assets shall be at the risk of the Purchaser from and after Closing.
- (2) If, prior to Closing, the Real Property is substantially damaged or destroyed by fire, casualty or otherwise, then, at its option, the Purchaser may decline to complete the Transaction. Such option shall be exercised within 15 calendar days after notification to the Purchaser by the Proposal Trustee of the occurrence of such damage or destruction (or prior to the Closing Date if such occurrence takes place within 15 calendar days of the Closing Date), in which event this Agreement shall be terminated automatically. If the Purchaser does not exercise such option, it shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. Where any damage or destruction is not substantial, the Purchaser shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. For the purposes of this section, substantial damage or destruction shall be deemed to have occurred if the loss or damage to the Real Property exceeds 15% of the total Purchase Price (inclusive of the Deposit).
- (3) If, prior to the Closing Date, all or a material part of the Real Property is expropriated or a notice of expropriation or intent to expropriate all or a material part of the Real Property is issued by any Governmental Authority, the Proposal Trustee shall immediately advise the Purchaser thereof by Notice in writing. The Purchaser shall, by Notice in writing given within three Business Days after the Purchaser receives Notice in writing from the Proposal Trustee of such expropriation, elect to either: (i) complete the Transaction contemplated herein in accordance with the terms hereof without reduction of the Purchase Price, and all compensation for expropriation shall be payable to the Purchaser and all right, title and interest of the Proposal Trustee or Debtors to such amounts, if any, shall be assigned to the Purchaser on a without recourse basis; or (ii) terminate this Agreement and not complete the Transaction, in which case all rights

and obligations of the Proposal Trustee and the Purchaser in this Agreement (except for those obligations which are expressly stated to survive the termination of this Agreement) shall terminate, and any Deposit paid by the Purchaser to the Proposal Trustee shall be returned to the Purchaser forthwith.

ARTICLE 12 AS IS, WHERE IS

12.1 Condition of the Purchased Assets.

The Purchaser acknowledges that the Proposal Trustee is selling and the Purchaser is purchasing the Purchased Assets on an “*as is, where is*” and “*without recourse*” basis as the Purchased Assets shall exist on the Closing Date, including, without limitation, whatever defects, conditions, impediments, hazardous materials or deficiencies exist on the Closing Date, whether patent or latent. The Purchaser further acknowledges and agrees that it has entered into this Agreement on the basis that neither the Proposal Trustee nor the Debtors have guaranteed or will guarantee title to or marketability, use or quality of the Purchased Assets, that the Purchaser has conducted such inspections of the condition and title to the Purchased Assets as it deems appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrance, description, fitness for purpose, environmental state or compliance, merchantability, condition or quality, or in respect of any other matter or thing whatsoever concerning the Purchased Assets including the Real Property, or the right of the Proposal Trustee to sell, assign, convey or transfer same, save and except as expressly provided in this Agreement. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act*, R.S.O. 1990, c. S.1, do not apply hereto and/or have been waived by the Purchaser. The description of the Purchased Assets contained in this Agreement is for the purpose of identification only and no representation, warranty or condition has or will be given by the Proposal Trustee concerning the accuracy of such description.

12.2 Environmental Condition of the Purchased Assets

Without limiting the generality of the foregoing section 12.1, the Purchaser acknowledges and agrees that:

- (1) all materials or information in relation to the Purchased Assets, including the Real Property, provided to the Purchaser by the Proposal Trustee or any person on behalf of the Proposal Trustee (the “**Materials**”), (including, without restriction, the Environmental Results) are submitted to the Purchaser for information purposes only and the Proposal Trustee does not and shall not make any representation or warranty whatsoever as to the accuracy of the information contained in the Materials, the completeness of the Materials, or the environmental or any other condition of the Purchased Assets including the Real Property and, in the absence of a reliance letter, the Purchaser shall not be entitled to rely on any reports contained in the Materials;

- (2) notwithstanding the delivery of the Materials to the Purchaser, the Purchaser has relied and will rely entirely and solely upon its own inspections and investigations with respect to the Purchased Assets, including the physical and environmental condition of the Purchased Assets including the Real Property, and has relied and will rely solely upon its own judgment resulting therefrom and has not relied on any information, written or oral, furnished by the Proposal Trustee or any other person or entities on behalf of or at the direction of the Proposal Trustee;
- (3) Except as expressly contemplated in sections 6.3(7) and 11.3 of this Agreement, the Proposal Trustee shall have no obligations or responsibility to the Purchaser after Closing with respect to any matters relating to the Purchased Assets or the condition thereof, including, without restriction, the physical and environmental condition of the Purchased Assets including the Real Property and compliance with any and all Applicable Laws;
- (4) The Purchaser shall assume full responsibility for the Purchased Assets on the Closing Date and hereby remises, releases and forever discharges the Proposal Trustee and the solicitors and agents of the Proposal Trustee of and from any Claims which the Purchaser has now or may hereafter have or may hereafter bring against the Proposal Trustee by reason of, arising from or relating to the condition, including, without restriction, the environmental condition of the Purchased Assets, including the Real Property, or their state of compliance with Applicable Laws

ARTICLE 13 POST-CLOSING MATTERS

13.1 Books and Records.

The Purchaser shall keep and maintain the Books and Records for a period of two years from the Closing Date, or for any longer period as may be required by Applicable Law or Governmental Authority. Upon reasonable advance notice, during such two year period after the Closing Date, the Purchaser will grant the Proposal Trustee and its representatives, reasonable access during normal business hours to use and copy the Books and Records at the sole cost of the Proposal Trustee.

ARTICLE 14 TERMINATION

14.1 Termination of this Agreement.

This Agreement may be validly terminated:

- (1) upon the mutual written agreement of the Parties;
- (2) pursuant to section 7.2 hereof by the Proposal Trustee;

- (3) pursuant to section 7.4 hereof by the Purchaser; or
- (4) pursuant to section 11.3 hereof.

14.2 Remedies for Breach of Agreement.

If this Agreement is terminated as a result of any breach of a representation, warranty, covenant or obligation of the Proposal Trustee, any Deposit paid by the Purchaser to the Proposal Trustee, without deduction, shall be returned to the Purchaser forthwith, and this shall be the Purchaser's sole right and remedy pursuant to this Agreement or at law as a result of the Proposal Trustee's breach. If this Agreement is terminated as a result of a breach of a representation, warranty, covenant or obligation of the Purchaser, the Deposit shall be forfeited to the Proposal Trustee as liquidated damages and not as a penalty, which Deposit the Parties agree are a genuine estimate of the liquidated damages that the Proposal Trustee would suffer in such circumstances, and this shall be the Proposal Trustee's sole right and remedy pursuant to this Agreement or at law as a result of the Purchaser's breach.

14.3 Termination If No Breach of Agreement.

If this Agreement is terminated other than as a result of a breach of a representation, warranty, covenant or obligation of a Party, then:

- (1) all obligations of each of the Proposal Trustee and the Purchaser hereunder shall end completely, except those that survive the termination of this Agreement;
- (2) any Deposit paid by the Purchaser to the Proposal Trustee, without deduction, shall be returned to the Purchaser forthwith; and
- (3) neither Party shall have any right to specific performance, to recover damages or expenses or to any other remedy (legal or equitable) or relief other than as expressly provided herein.

ARTICLE 15 GENERAL CONTRACT PROVISIONS

15.1 Further Assurances.

From time to time after Closing, each of the Parties shall execute and deliver such further documents and instruments and do such further acts and things as may be required or useful to carry out the intent and purpose of this Agreement and which are not inconsistent with the terms hereof.

15.2 Survival Following Completion.

Notwithstanding any other provision of this Agreement, section 4.5, article 8, article 9, section 14.2 and section 14.3 shall survive the termination of this Agreement and the completion of the Transaction, provided, however, that upon the discharge of BDO Canada Limited as the

Proposal Trustee, the Parties' respective obligations by reason of this Agreement shall end completely and they shall have no further or continuing obligations by reason thereof.

15.3 Notice.

All notices, requests, demands, waivers, consents, agreements, approvals, communications or other writings required or permitted to be given hereunder or for the purposes hereof (each, a "**Notice**") shall be in writing and be sufficiently given if personally delivered, sent by prepaid registered mail or transmitted by email, addressed to the Party to whom it is given, as follows:

- (a) to the Proposal Trustee:

BDO Canada Limited
20 Wellington East, Suite 500
Toronto, ON M5E 1C5

Attention: Clark Lonergan
Email: clonergan@bdo.ca

and a copy to the Proposal Trustee's counsel to:

Fogler, Rubinoff LLP
77 King Street West, Suite 3000
Toronto, ON M5K 1G8

Attention: Vern W. DaRe
Email: vdare@foglers.com

- (b) to the Purchaser:

Mark Motors of Ottawa (1987) Limited
611 Montreal Road
Ottawa, ON K1J 8J8

Attention: Michael Mrak and Liza Mrak
Email: mmark@markmotorsgroup.com / lmrak@markmotorsgroup.com

and a copy to the Purchasers' counsel to:

Soloway Wright LLP
700-427 Laurier Avenue West
Ottawa ON K1R 7Y2

Attention: Sybil Johnson-Abbott
Email: sjohnsonabbott@solowaywright.com

or such other address of which Notice has been given. Any Notice mailed as aforesaid will be deemed to have been given and received on the third Business Day following the date of its mailing. Any Notice personally delivered will be deemed to have been given and received on the day it is personally delivered, provided that if such day is not a Business Day, the Notice will be deemed to have been given and received on the Business Day next following such day. Any Notice transmitted by email will be deemed given and received on the first Business Day after its transmission.

If a Notice is mailed and regular mail service is interrupted by strike or other irregularity on or before the fourth Business Day after the mailing thereof, such Notice will be deemed to have not been received unless otherwise personally delivered or transmitted by email.

15.4 Waiver.

No Party will be deemed or taken to have waived any provision of this Agreement unless such waiver is in writing and such waiver will be limited to the circumstance set forth in such written waiver.

15.5 Consent.

Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit or the requirement for such consent is not required pursuant to the terms of the Approval and Vesting Order, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

15.6 Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The Parties irrevocably attorn to the jurisdiction of the courts of the Province of Ontario sitting in Ottawa. The Parties consent to the exclusive jurisdiction and venue of the Court for the resolution of any disputes between them, regardless of whether or not such disputes arose under this Agreement.

15.7 Entire Agreement.

This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements and understandings between the Parties. There are not and will not be any verbal statements, representations, warranties, undertakings or agreements between the Parties. This Agreement may not be amended or modified in any respect except by written instrument signed by the Parties. The recitals herein are true and accurate, both in substance and in fact.

15.8 Time of the Essence.

Time will be of the essence, provided that if the Parties establish a new time for the performance of an obligation, time will again be of the essence of the new time established.

15.9 Time Periods.

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

15.10 Assignment.

This Agreement will enure to the benefit of and be binding on the Parties and their respective heirs, executors, legal and personal administrators, successors and permitted assigns. The Parties hereby acknowledge and agree that the Proposal Trustee's interest in this Agreement may be assigned, including, without limitation, to any licensed insolvency trustee (whether receiver, bankruptcy trustee or otherwise) appointed in respect of the Purchased Assets, and, for greater certainty, the Parties hereby acknowledge and agree that no discount whatsoever shall be applied to the Purchase Price as a result of the receivership of the Debtors and/or the bankruptcy of the Debtors, as applicable. The Purchaser may not assign this Agreement without the Proposal Trustee's prior written approval. Up until Closing, the Purchaser shall have the right to direct that title to the Purchased Assets be taken in the name of another person, entity, joint venture, partnership or corporation (presently in existence or to be incorporated) provided that the assignee shall, in writing and prior to Closing, agree to assume and be bound by the terms and conditions of this Agreement (the "**Assumption Agreement**") and a copy of such Assumption Agreement is delivered to the Proposal Trustee forthwith after having been entered into and prior to Closing, upon which however the Purchaser shall not be released from any of its obligations and liabilities hereunder.

15.11 Expenses.

Except as otherwise set out in this Agreement, all costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses.

15.12 Severability.

If any portion of this Agreement is prohibited in whole or in part in any jurisdiction, such portion shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining portions of this Agreement and shall, as to such jurisdiction, be deemed to be severed from this Agreement to the extent of such prohibition.

15.13 No Strict Construction.

The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

15.14 Cumulative Remedies.

Unless otherwise expressly stated in this Agreement, no remedy conferred upon or reserved to one or both of the Parties is intended to be exclusive of any other remedy, but each remedy shall be cumulative and in addition to every other remedy conferred upon or reserved hereunder, whether such remedy shall be existing or hereafter existing, and whether such remedy shall become available under common law, equity or statute.

15.15 Currency.

All references to dollar amounts contained in this Agreement shall be deemed to refer to lawful currency of Canada.

15.16 Proposal Trustee's Capacity.

It is acknowledged by the Purchaser that the Proposal Trustee is entering into this Agreement solely in its capacity as the proposal trustee and that the Proposal Trustee shall have absolutely no personal or corporate liability under or as a result of this Agreement in any respect.

15.17 Planning Act.

This Agreement is to be effective only if the provisions of the *Planning Act*, R.S.O. 1990, c. P.13, as amended, are complied with.

15.18 No Third Party Beneficiaries.

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns, nothing in this Agreement shall be construed to create any rights or obligations except amongst the Parties and no other person or entity shall be regarded as a third party beneficiary of this Agreement.

15.19 Number and Gender.

Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders. Where the word "including" or "includes" is used in this Agreement, it means "including (or includes) without limitation".

15.20 Independent Legal Advice.

Each of the Parties acknowledges and declares that:

- (1) it has had an adequate opportunity to read and consider this Agreement and to obtain such advice in regard to it as it considers advisable, including, without limitation, independent legal advice;
- (2) it fully understands the nature and effect of this Agreement; and
- (3) this Agreement has been duly executed voluntarily.

15.21 Counterparts.

This Agreement may be executed in counterparts and by PDF, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

15.22 Environmental

Subject to section 12.2 of this Agreement, the Vendor shall deliver to the Purchaser before the Closing, the Environmental Results which includes details regarding possible environmental contamination on the Real Property including a remediation evaluation and an estimated cost analysis to implement the remediation plan on the Real Property. Subject to section 12.2 of this Agreement, the Vendor shall give the Purchaser a credit in the amount of \$200,000 on the Statement of Adjustments in respect of the costs for any remediation plan set out in the Environmental Results.

/SIGNATURE PAGE FOLLOWS./

IN WITNESS WHEREOF the Purchaser has duly executed this Agreement as of the date first above written.

MARK MOTORS OF OTTAWA (1987) LIMITED

DocuSigned by:
Per: Michael Mrak
2127F32CF2AC400...
Name: Michael Mrak
Authorized Signing Officer

DocuSigned by:
Per: Liza Mrak
ECBB6B95F5144C3...
Name: Liza Mrak
Authorized Signing Officer

MRAK HOLDINGS INC.

DocuSigned by:
Per: Michael Mrak
2127F32CF2AC400...
Name: Michael Mrak
Authorized Signing Officer
DocuSigned by:
Per: Liza Mrak
ECBB6B95F5144C3...
Name: Liza Mrak
Authorized Signing Officer

ACCEPTED by the Proposal Trustee this _____ day of April, 2024.

BDO CANADA LIMITED, solely in its capacity as the Proposal Trustee, and not in its personal capacity or in any other capacity

Per: _____
Name: _____
Title: _____

SCHEDULE A**APPROVAL AND VESTING ORDER**

District of Ontario
 Division No. 12 - Ottawa
 Court File No. BK-33-03025642
 Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

THE HONOURABLE)	WEDNESDAY, THE 3 rd
)	
JUSTICE)	DAY OF APRIL, 2024

IN THE MATTER OF THE *BANKRUPTCY AND*
***INSOLVENCY ACT*, R.S.C., 1985, C. B-3, AS AMENDED**

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM
AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.

APPROVAL AND VESTING ORDER

THIS MOTION, made by BDO Canada Limited, in its capacity as the proposal trustee (in such capacity, the “**Proposal Trustee**”) of OEM Automotive Solutions Inc., OEM Automotive Cornwall Inc. and OEM Automotive Holdings Inc. (collectively, the “**Debtors**”), for an Order, *inter alia*, approving the sale transaction (the “**Transaction**”) that was selected by the Proposal Trustee under the sale and solicitation process (the “**SISP**”) granted by the Ontario Superior Court of Justice (In Bankruptcy and Insolvency) (the “**Court**”) on January 17, 2024 (the “**Sale Process Order**”), and as contemplated by an agreement of purchase and sale between the Proposal Trustee, as vendor, and Mark Motors of Ottawa (1987) Limited (“**Mark Motors**”) and Mrak Holdings Inc. (“**Mrak Holdings**”), as purchasers, dated March 27, 2024 (the “**Sale**

Agreement”), a final unredacted copy of which is attached to the Confidential Supplementary Report dated March 27, 2024 (the “**Confidential Supplementary Report**”) and a final redacted copy of which is attached to the third report of the Proposal Trustee dated March 27, 2024 (the “**Third Report**”), and vesting in Mark Motors the Debtors’ right, title and interest in and to the property described as the “Purchased Assets” (excluding the Real Property) in the Sale Agreement (the “**Business Assets**”), and vesting in Mrak Holdings the Debtors’ right, title and interest in and to the real property described as the “Real Property” in the Sale Agreement (the “**Real Property**”) (hereinafter, Mark Motors and Mrak Holdings are collectively referred to as the “**Purchaser**”, and the Business Assets and the Real Property are collectively referred to as the “**Purchased Assets**”), was heard this day by judicial videoconference.

ON READING the Third Report, the Confidential Supplementary Report and the appendices thereto, and on hearing the submissions of counsel for the Proposal Trustee, counsel for the Companies, counsel for the Bank of Montreal and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Michelle Pham sworn March 28, 2024, filed,

1. **THIS COURT ORDERS** that the time for service and filing of the notice of this motion and the motion record of the Proposal Trustee is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS AND DECLARES** that the Transaction selected from the SISP is hereby approved, and the execution of the Sale Agreement by the Proposal Trustee is hereby authorized and approved, with such minor amendments as the Proposal Trustee may deem necessary. The Debtors and the Proposal Trustee are hereby authorized and directed to take such

additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Proposal Trustee's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Proposal Trustee's Certificate**"), all of the Debtors' right, title and interest in and to the Business Assets shall vest absolutely in Mark Motors and all of the Debtors' right, title and interest in and to the Real Property shall vest absolutely in Mrak Holdings, or such other Person(s) (as defined in the Sale Agreement) that the Purchaser may direct or designate, free and clear of and from any and all certificates of pending litigation and any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, writs, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Sale Process Order; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule "D"**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Stormont (No. 52) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter Mrak Holdings as the owner of the subject Real Property identified in **Schedule “B”** hereto in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule “C”** hereto.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Proposal Trustee’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the 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.

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Proposal Trustee is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtors’ records pertaining to the Debtors’ past and current employees, including personal information of those employees that will be employed by the Purchaser pursuant to the Sale Agreement. 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 by the Debtors.

7. **THIS COURT ORDERS AND DIRECTS** the Proposal Trustee to file with the Court a copy of the Proposal Trustee's Certificate, forthwith after delivery thereof.

8. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtors,

the vesting of the Business Assets in Mark Motors and the vesting of the Real Property in Mrak Holdings, or as it may direct, pursuant to this Order shall be binding on the Proposal Trustee and any other licensed insolvency trustee that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) 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.

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Proposal Trustee 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 orders and to provide such assistance to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Proposal Trustee and its agents in carrying out the terms of this Order.

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10. **THIS COURT ORDERS** that this Order is effective from today's date and is enforceable without the need for entry and filing.

Schedule “A” – Form of Proposal Trustee’s Certificate

Court File No. BK-33-03025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE *BANKRUPTCY AND*
***INSOLVENCY ACT*, R.S.C., 1985, C. B-3, AS AMENDED**

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM
AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.

PROPOSAL TRUSTEE’S CERTIFICATE

RECITALS

- I. Pursuant to a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) each filed by OEM Automotive Solutions Inc., OEM Automotive Cornwall Inc. and OEM Automotive Holdings Inc. (the “**Debtors**”) on December 22, 2023, BDO Canada Limited was named as the Debtors’ proposal trustee (in such capacity, the “**Proposal Trustee**”).
- II. Pursuant to an Order of The Honourable Justice A. Kaufman of the Ontario Superior Court of Justice (In Bankruptcy and Insolvency) (the “**Court**”) made January 17, 2024 (the “**Sale Process Order**”), the Court approved, among other things, a sale and investment solicitation process with respect to the assets and business of the Debtors to be conducted, with the assistance of a sales agent, by the Proposal Trustee, and expanded the powers of the Proposal Trustee with respect to the Debtors.
- III. Pursuant to an Order of the Court dated April 3, 2024, the Court approved the agreement of purchase and sale between the Proposal Trustee, as vendor, pursuant to the Sale Process Order, and Mark Motors of Ottawa (1987) Limited (“**Mark Motors**”) and Mrak Holdings Inc. (“**Mrak**

Holdings”), as purchasers, dated March 27, 2024 (the “**Sale Agreement**”), and provided for the vesting in Mark Motors the Debtors’ right, title and interest in and to the property described as the “**Purchased Assets**” (excluding the Real Property) in the Sale Agreement (the “**Business Assets**”), and vesting in Mrak Holdings the Debtors’ right, title and interest in and to the real property described as the “**Real Property**” in the Sale Agreement (the “**Real Property**”) (hereinafter, Mark Motors and Mrak Holdings are collectively referred to as the “**Purchaser**”, and the Business Assets and the Real Property are collectively referred to as the “**Purchased Assets**”), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Proposal Trustee and the Purchaser; and (iii) that the Transaction has been completed to the satisfaction of the Proposal Trustee.

IV. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Proposal Trustee has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Proposal Trustee and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Proposal Trustee; and

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4. This Proposal Trustee's Certificate was delivered by the Proposal Trustee at _____ [TIME] on _____ [DATE].

BDO CANADA LIMITED, solely in its capacity
as the proposal trustee of the Debtors, and not in
its personal capacity or in any other capacity

Per:

Name:

Title:

SCHEDULE "B"
LEGAL DESCRIPTION
Owned by OEM Automotive Cornwall Inc.

PIN 60180 - 0067 (LT)
PT LT 16 S/S SEVENTH ST PL CORNWALL PT 2 52R2252; CORNWALL
(municipally known as 628 Pitt Street, Cornwall, Ontario)

Owned by OEM Automotive Holdings Inc.

PIN 60180 - 0282 (LT)
PART LOT 16 SOUTH SIDE SEVENTH STREET PLAN CORNWALL, PARTS 1 AND 2,
52R4375; CITY OF CORNWALL
(municipally known as 632 Pitt Street, Cornwall, Ontario)

**SCHEDULE “C”
INSTRUMENTS TO BE DELETED FROM TITLE**

(1) PIN 60180 - 0067 (LT) (municipally known as 628 Pitt Street, Cornwall, Ontario)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
ST109060	2019/11/12	Transfer	\$742,145	Macdonell Family Holdings Inc.	OEM Automotive Cornwall Inc.
ST109061	2019/11/12	Charge	\$560,000	OEM Automotive Cornwall Inc.	Bank of Montreal
ST109062	2019/11/12	Notice of Assignment of Rents General		OEM Automotive Cornwall Inc.	Bank of Montreal
ST109067	2019/11/12	Charge	\$1,000,000	OEM Automotive Cornwall Inc.	Macdonell, Glenn Joseph
ST149429	2024/01/19	Application to Register Court Order		Ontario Superior Court of Justice	BDO Canada Limited

(2) PIN 60180 - 0282 (LT) (municipally known as 632 Pitt Street, Cornwall, Ontario)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
ST109063	2019/11/12	Transfer	\$1,378,270	Macdonell, Michael Allan / Macdonell, Glenn Joseph	OEM Automotive Holdings Inc.
ST109064	2019/11/12	Charge	\$1,040,000	OEM Automotive Holdings Inc.	Bank of Montreal
ST109065	2019/11/12	Notice of Assignment of Rents General		OEM Automotive Holdings Inc.	Bank of Montreal
ST109066	2019/11/12	Charge	\$1,000,000	OEM Automotive Holdings Inc.	Macdonell, Glenn Joseph
ST149429	2024/01/19	Application to Register Court Order		Ontario Superior Court of Justice	BDO Canada Limited

SCHEDULE “D”
PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS

(1) PIN 60180 - 0067 (LT) (municipally known as 628 Pitt Street, Cornwall, Ontario)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
PLCornwall	1847/10/01	Plan Subdivision			
52R2252	1984/08/22	Plan Reference			

(2) PIN 60180 - 0282 (LT) (municipally known as 632 Pitt Street, Cornwall, Ontario)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
52R4375	1991/09/10	Plan Reference			

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF OEM AUTOMOTIVE SOLUTIONS
INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM AUTOMOTIVE HOLDINGS INC.

Court File No. BK-33-03025642

<p>ONTARIO SUPERIOR COURT OF JUSTICE (IN BANKRUPTCY & INSOLVENCY) Proceedings commenced at Ottawa</p>	
<p>APPROVAL AND VESTING ORDER</p>	
<p>FOGLER, RUBINOFF LLP Toronto-Dominion Centre 77 King Street West Suite 3000, PO Box 95 Toronto, ON M5K 1G8 Vern W. DaRe (LSO# 32591E) Tel: 416.941.8842 Fax: 416.941.8852 Email: vdare@foglers.com Lawyers for the Proposal Trustee</p>	

SCHEDULE B
PERMITTED ENCUMBRANCES

(1) PIN 60180 - 0067 (LT) (municipally known as 628 Pitt Street, Cornwall, Ontario)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
PLCornwall	1847/10/01	Plan Subdivision			
52R2252	1984/08/22	Plan Reference			

(2). PIN 60180 - 0282 (LT) (municipally known as 632 Pitt Street, Cornwall, Ontario)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
52R4375	1991/09/10	Plan Reference			

SCHEDULE C
SALE PROCESS ORDER



District of Ontario
 Division No. 12 - Ottawa
 Court File No. BK-33-03025642
 Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

THE HONOURABLE
 JUSTICE A. KAUFMAN

)
)
)

WEDNESDAY, THE 17TH DAY
 OF JANUARY, 2024

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY*
ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION
 TO MAKE A PROPOSAL OF
 OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE
 CORNWALL INC. AND OEM AUTOMOTIVE HOLDINGS
 INC.

ORDER

(Procedural Consolidation, Stay Extension, SISP, Engagement of Sales Agent
 Enhanced Trustee Powers & Court-Ordered Charges)

THIS MOTION, made by OEM Automotive Solutions Inc. ("**Solutions**"), OEM Automotive Cornwall Inc. ("**Cornwall**") and OEM Automotive Holdings Inc. ("**Holdings**", and collectively with Solutions and Cornwall, the "**Companies**") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the "**BIA**"), for an order (this "**Order**"), among other things:

- (a) if necessary, abridging the time for service and filing of the notice of motion and the motion record or, in the alternative, dispensing with the same;
- (b) administratively consolidating the estates of the Companies;

- (c) extending the time for the Companies to file proposals under section 50.4(9) of the BIA by 45 days to and including March 5, 2024;
- (d) approving the first report of BDO Canada Limited, in its capacity as proposal trustee (in such capacity, the “Trustee”) in the Companies’ BIA proposal proceedings (collectively, the “Proposal Proceedings”), dated January 11, 2024 (the “First Report”), and approving the activities of the Trustee described in the First Report;
- (e) approving the sale and investment solicitation process (the “SISP”) attached as Schedule “B” hereto;
- (f) authorizing and approving the Trustee’s engagement of Dealer Solutions North America, Inc. (the “Sales Agent”) to assist with the implementation of the SISP;
- (g) enhancing certain powers of the Trustee;
- (h) authorizing the Companies to enter into an interim financing term sheet (the “Interim Financing Term Sheet”) with the Bank of Montreal (“BMO”), as interim lender, attached as Exhibit “V” to the Affidavit of Caroline Bourret sworn January 9, 2024 (the “Bourret Affidavit”); and
- (i) granting the super-priority Administration Charge, Directors’ Charge and Interim Financing Charge (*each as defined in this Order*),

was heard by this Honourable Court (the “Court”) on this day by way of judicial video conference in Ottawa, Ontario.

ON READING the Motion Record of the Companies, including the Bourret Affidavit and the exhibits thereto, the First Report and the appendices thereto, and on hearing the submissions of counsel for the Companies, counsel for the Trustee, counsel for BMO, and the other parties listed on the participant information form and no one else appearing although properly served as appears from the affidavit of Amanda Adamo, sworn January 10, 2024 and January 12, 2024, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

ADMINISTRATIVE CONSOLIDATION

2. **THIS COURT ORDERS** that the Proposal Proceedings of Solutions (Estate Number 33-3025642), Cornwall (Estate Number 33-3025639) and Holdings (Estate Number 33-3025645) are hereby administratively consolidated, and the Proposal Proceedings are hereby authorized and directed to continue, under the following title of proceedings, *nunc pro tunc*:

**Court File No: BK-33-03025642
Estate File No. 33-3025642**

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C., 1985, C. B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM
AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.**

3. **THIS COURT ORDERS** that the Companies shall file a copy of this Order in the Court file for each of the Proposal Proceedings but that all other or further materials in the Proposal Proceedings shall be filed with the Court only in the Solutions Estate and Court File, being Court File Number BK-33-03025642 / Estate No. 33-3025642.

4. **THIS COURT ORDERS** that the Trustee is authorized and directed to administer the Proposal Proceedings, on a consolidated basis, for all purposes in carrying out its duties and responsibilities as trustee under the BIA, including, without limitation:

- (a) sending notices to creditors of the Companies pursuant to one consolidated notice;
- (b) calling and conducting any meetings of creditors of the Companies pursuant to one combined advertisement;

- (c) issuing consolidated reports in respect of each of the estates of the Companies;
- (d) preparing, filing, advertising and distributing any and all filings or notices relating to the administration of the estates of the Companies;
- (e) taxing its fees, and those of its counsel; and
- (f) bringing motions to this Court.

5. **THIS COURT ORDERS** that the administrative consolidation of the Proposal Proceedings shall not:

- (a) affect the separate legal status and corporate structures of any of the Companies;
- (b) cause any of the Companies to be liable to any claim for which it is otherwise not liable; or
- (c) affect the Trustee's or any creditor's right to seek to disallow any claim, including on the basis that such claim is duplicative.

EXTENSION OF TIME

6. **THIS COURT ORDERS** that the time for the filing of a proposal by the Companies is hereby extended in accordance with section 50.4(9) of the BIA up to and including March 5, 2024.

APPROVAL OF FIRST REPORT

7. **THIS COURT ORDERS** that the First Report and the actions, activities and conduct of the Trustee described therein be and are hereby approved; provided, however, that only the Trustee, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

ENHANCEMENT OF TRUSTEE'S POWERS

8. **THIS COURT ORDERS** that, without in any way limiting the powers and duties of the Trustee under the BIA, the Trustee is empowered and authorized, but not obligated, to do any of the following in the name of and on behalf of the Companies, where the Trustee considers it necessary or desirable:

(a) exercise any powers which may be properly exercised by a board of directors or any officers of the Companies to cause the Companies, through the Companies' employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, **"Assistants"**) (then engaged, if any), to, without limitation:

(i) take any and all actions and steps, and execute all agreements, documents and writings, on behalf of, and in the name of, the Companies in order to facilitate the performance of any of the Companies' powers or obligations (collectively, the **"Companies' Powers & Obligations"**):

(ii) engage, retain, or terminate the services of any officer, employee, consultant, agent, representative, advisor, or other persons or entities, as the Trustee deems necessary or appropriate to assist with the exercise of the Trustee's powers and duties and/or the Companies' Powers & Obligations. For greater certainty, any such officer, employee, consultant, agent, representative, advisor, or other persons or entities engaged or retained pursuant to this paragraph shall thereafter be deemed to be Assistants under this Order;

(iii) perform such other functions or duties, and enter into any agreements or incur any obligations, as the Trustee considers necessary or desirable in order to facilitate or assist the winding-down or liquidation of the Companies, the realization and/or sale of all of the Companies' current and future assets, undertakings and properties of every nature and kind whatsoever and wherever situate, including all proceeds thereof (the **"Property"**) or the opportunity to invest by way of equity or debt in the Companies' business (the **"Business"**), the distribution of any net proceeds of the Property (the **"Proceeds"**), or any other related activities, including, without limitation, in connection with terminating this Proposal Proceedings;

(iv) exercise any rights of the Companies;

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- (v) grant the Trustee access to all books and records that are the property of the Companies or that are in the Companies' possession or control (the "**Books and Records**");
 - (vi) initiate, prosecute, and/or continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Companies, the Property, or the Proceeds, and, subject to further Order of this Court, to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
 - (vii) deal with any taxing or regulatory authority, including to execute any appointment or authorization form on behalf of the Companies that any taxing or regulatory authority may require, in order to confirm the appointment of an authorized representative of the Companies (which may be a representative of the Trustee) for such purposes;
 - (viii) engage, deal, communicate, negotiate and, with further Order of this Court, settle with any creditor or other stakeholder of the Companies (including any governmental authority);
 - (ix) claim any and all insurance refunds or tax refunds to which the Companies are entitled on behalf of the Companies; and
 - (x) file, or take such actions necessary for the preparation and filing of, on behalf of and in the name of the Companies, (i) any tax returns, and (ii) the Companies' employee-related remittances, T4 statements and records of employments for the Companies' former employees, in either case, based solely upon the information in the Books and Records and on the basis that the Trustee shall incur no liability or obligation to any person with respect to such returns, remittances, statements, records or other documents;
- (b) monitor the Companies' receipts and disbursements;

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- (c) subject to the protections in favour of the Trustee set out in paragraphs 19, 20 and 21 of this Order, review, and approve (if the Trustee deems the disbursement necessary or appropriate to maintain or facilitate the Business) all disbursements of the Companies of \$5,000 or greater;
- (d) report to this Court at such times and intervals as the Trustee 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;
- (e) assist the Companies, to the extent required by the Companies, in their dissemination to BMO and its counsel on a bi-weekly basis of financial and other information as agreed to between the Companies and BMO, which may be used in these proceedings including reporting on a basis to be agreed with BMO, including but not limited to as the foregoing may be required under the Interim Financing Term Sheet;
- (f) advise the Companies in its preparation of the Companies' cash flow statements and reporting reasonably required by BMO, which information shall be reviewed with the Trustee and delivered to BMO and its counsel on a periodic basis, but not less than bi-weekly, or as otherwise agreed to by BMO, including but not limited to as the foregoing may be required under the Interim Financing Term Sheet;
- (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 Companies, to the extent that is necessary to adequately assess the Companies' business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Trustee deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (i) perform such other duties as are required by this Order or by this Court from time to time; and

(j) take any steps reasonably incidental to the exercise by the Trustee of the powers listed above or the performance of any statutory obligations.

9. **THIS COURT ORDERS** that, notwithstanding anything contained in this Order, the Trustee shall not take possession of the Property or Business 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 maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Trustee being an employer or a successor employer, within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

10. **THIS COURT ORDERS** that nothing herein contained shall require the Trustee to occupy or to take control, care, charge, possession or management (separately and/or collectively, “Possession”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, 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 of waste or other contamination including, without limitation, the *Environmental Protection Act* (Canada), the *Environmental Protection Act* (Ontario), the *Water Resources Act* (Ontario), or the *Occupational Health and Safety Act* (Ontario) and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Trustee from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Trustee shall not, as a result of this Order or anything done in pursuance of the Trustee’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

11. **THIS COURT ORDERS** that the Trustee shall provide any creditor of the Companies with the information provided by the Companies in response to reasonable requests for information made in writing by such creditor addressed to the Trustee. The Trustee 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 Trustee has been advised by the Companies is

confidential, or that the Trustee has determined must be kept confidential so as to facilitate the SISP, the Trustee shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Trustee and the Companies may agree.

APPROVAL OF SISP

Sale Procedure

12. **THIS COURT ORDERS** that the SISP, attached as Schedule "B" hereto, is approved.

13. **THIS COURT ORDERS** that the Companies and the Trustee are authorized and directed to perform their obligations under, and take such steps as they consider necessary or desirable in carrying out, the SISP; and, that any step taken by the Companies or the Trustee in connection with the SISP prior to the date of this Order is approved and ratified.

14. **THIS COURT ORDERS** that the Companies and the Trustee are authorized and directed to engage the Sales Agent on the terms of, or substantially on the terms of, the Sales Agent's consulting agreement, attached as Appendix "H" to the First Report (the "**Sales Agent Agreement**").

15. **THIS COURT ORDERS** that in conducting the SISP, the Trustee shall maintain such degree of confidentiality over the process, including but not limited to any negotiation, undertaking or offer as it deems necessary and appropriate in the circumstances.

16. **THIS COURT ORDERS** that the Trustee and the Sales Agent shall have no personal or corporate liability in connection with the SISP, including, without limitation:

(a) by advertising the SISP, including, without limitation, the opportunity to acquire all or a portion of the Property or the opportunity to invest by way of equity or debt in the Business. For greater certainty, in this Order, Property includes, without limitation, the real property legally described in Schedule "A" hereto and all proceeds thereof;

(b) by exposing the Property to any and all parties, including, but not limited to, those parties who have made their interests known to the Trustee and/or the Sales Agent;

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- (c) by responding to any and all requests or inquiries regarding due diligence conducted in respect of the Companies, the Property or the Business;
- (d) through the disclosure of any and all information regarding the Companies, the Property or the Business arising from, incidental to or in connection with the SISP;
- (e) pursuant to any and all offers received by the Trustee and/or the Sales Agent in accordance with the SISP; and
- (f) pursuant to any agreements entered into by any of the Trustee acting for the Companies in respect of the sale of any of the Property or the investment in or financing of the Business.

17. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), the Companies and the Trustee are authorized and permitted to disclose personal information of identifiable individuals to prospective purchasers of the Property, investors in or financiers of the Business and their respective advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “Sale”) or investments in or financings of the Business or (each, an “Investment”). Each prospective purchaser, investor or financier to whom such information is provided shall limit the use of such information to its evaluation of the Sale or Investment, and if it does not complete a Sale or Investment, it shall return all such information to the Companies or the Trustee, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Companies, and shall return all other personal information to the Companies or the Trustee, or ensure that all other personal information is destroyed.

Duty to Cooperate with the Trustee

18. **THIS COURT ORDERS** that the Companies and all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf shall fully cooperate with the Trustee in the exercise of its powers under the BIA, this Order or any other Order of the Court, including by:

- (a) advising the Trustee of the existence of any Property of which such party has knowledge of;
- (b) providing the Trustee with immediate and continued access to any Property in such party's possession or control;
- (c) advising the Trustee of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Companies, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information ("**Records**") of which such party has knowledge of; and
- (d) providing access to and use of the Records, including any accounting, computer, software and physical facilities relating thereto, and including providing the Trustee with instructions on the use of any computer or other system as requested by the Trustee and providing the Trustee with any and all access codes, account names and account numbers that may be required to gain access to the Records, provided however that nothing in this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Trustee due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

Limitation on the Trustee's Liability

19. **THIS COURT ORDERS** that the Trustee is not and shall not, for any purposes, be deemed to be a director, officer, employee, receiver, receiver-manager, or liquidator of the Companies.

20. **THIS COURT ORDERS** that the Trustee is not and shall not for the purposes of the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.) be deemed to be a legal representative or person to whom s. 150(3) of that Act applies.

21. **THIS COURT ORDERS** that the rights, protections, indemnities, charges, priorities, and other provisions in favour of the Trustee set out in the BIA, any other applicable legislation, this Order and any other Order granted in these proceedings, all shall apply and extend to the Trustee

in connection with the Trustee carrying out the provisions of this Order, amended as necessary to give effect to the terms of this Order.

INTERIM FINANCING

22. **THIS COURT ORDERS** that the Companies are authorized and empowered to enter into the Interim Financing Term Sheet and to borrow funds from BMO, on the terms and subject to the conditions thereof, in order to finance the Companies' working capital requirements and other general corporate purposes and capital expenditures during these proceedings, provided that borrowings under such credit facility shall not exceed \$500,000, unless permitted by further Order of this Court (collectively, the "**Interim Financing Facility**").

23. **THIS COURT ORDERS** that the Companies 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 BMO pursuant to the terms thereof, and the Companies are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to BMO under and pursuant to the Interim Financing Term Sheet and the Definitive Documents (collectively, the "**Interim Obligations**") as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

24. **THIS COURT ORDERS** that BMO, as interim financing lender, shall be entitled to the benefit of and is hereby granted a charge (the "**Interim Financing Charge**") over and against the Property, as security as security for the Interim Obligations, which Interim Financing Charge shall be in the aggregate amount of the Interim Obligations outstanding at any given time under the Definitive Documents. The Interim Financing Charge shall not secure an obligation that exists before this Order is made. The Interim Financing Charge shall have the priority set out in paragraph 34 of this Order.

25. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) BMO, as interim financing lender, may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Financing Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Interim Financing Term Sheet, the Definitive Documents or the Interim Financing Charge, BMO, upon five (5) days' notice to the Companies and the Trustee, may exercise any and all of its rights and remedies against the Companies or the Property under or pursuant to the Interim Financing Term Sheet, the Definitive Documents and the Interim Financing Charge, including, without limitation, to cease making advances to the Companies and set off and/or consolidate any amounts owing by BMO to the Companies against the obligations of the Companies to BMO under the Interim Financing Term Sheet, the Definitive Documents or the Interim Financing 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 Companies or any of them and for the appointment of a trustee in bankruptcy of the Companies or any of them; and
- (c) the foregoing rights and remedies of BMO, as the interim financing lender, shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Companies or the Property.

26. **THIS COURT ORDERS** that BMO, as interim lender, shall be treated as unaffected in any proposal filed by the Companies under the BIA with respect to any advances made under the Interim Financing Term Sheet or the Definitive Documents and in furtherance thereof, BMO, in its capacity as interim lender under the Interim Financing Term Sheet and the Definitive Documents, shall be unaffected by the stay of proceedings but subject to paragraph 25 of this Order.

ADMINISTRATIVE CHARGE

27. **THIS COURT ORDERS** that the Trustee, counsel to the Trustee and counsel to the Companies shall be paid their reasonable fees and disbursements (the "**Professional Fees**"), in each case at their standard rates and charges, by the Companies as part of the costs of these proceedings. The Companies are authorized and directed to pay the accounts of the Trustee,

counsel for the Trustee and counsel for the Companies on a monthly basis and, in addition, the Companies are authorized to pay to the Trustee, counsel to the Trustee, and counsel to the Companies, such retainers are agreed to among such parties to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

28. **THIS COURT ORDERS** that the Trustee and its legal counsel shall pass their accounts from time to time, and for this purpose, the accounts of the Trustee and its legal counsel are referred to a judge of the Ontario Superior Court of Justice.

29. **THIS COURT ORDERS** that the Sales Agent shall be paid such fees and commissions, and in such manner, as prescribed in the Sales Agent Agreement, subject to any further order of the Court (the “Sales Agent Fees”).

30. **THIS COURT ORDERS** that the Trustee, counsel to the Trustee, the Sales Agent and the Companies’ counsel shall be entitled to the benefit of and are granted a charge (the “Administration Charge”) over and against the Property, which charge shall not exceed an aggregate amount of \$400,000, as security for, as applicable, the Professional Fees, both before and after the making of this Order in respect of these proceedings and the Sales Agent Fees. The Administration Charge shall have the priority set out in paragraph 34 of this Order.

DIRECTORS’ CHARGE

31. **THIS COURT ORDERS** that the Companies shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Companies after the commencement of the NOI Proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director’s or officer’s gross negligence or wilful misconduct.

32. **THIS COURT ORDERS** that the directors and officers of the Companies shall be entitled to the benefit of and are granted a charge (the “Directors’ Charge”) over and against the Property, which charge shall not exceed an aggregate amount of \$100,000.00, as security for the indemnity provided in paragraph 31 of this Order. The Directors’ Charge shall have the priority set out in paragraph 34 of this Order.

33. **THIS COURT ORDERS** that, 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 Companies' 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 31 of this Order.

PRIORITY OF CHARGES

34. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors' Charge and the Interim Financing Charge as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$400,000);

Second – Interim Financing Charge (to the maximum amount of the Interim Obligations at the relevant time); and

Third – Directors' Charge (to the maximum amount of \$100,000); and

35. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge, the Directors' Charge or the Interim Financing Charge (collectively, the "**Charges**") shall not be required, and that 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.

36. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and the Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any person.

37. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Companies shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Companies also obtain the prior written consent of the Trustee and the other beneficiaries of the Charges, or further Order of this Court.

38. **THIS COURT ORDERS** that the Charges, the Interim Financing Term Sheet and the Definitive Documents 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 BMO as Interim Lender, shall not otherwise be limited or impaired in any way by:

- (a) the pendency of these proposal proceedings and the declarations of insolvency made herein;
- (b) any application(s) for bankruptcy, interim receivership or receivership order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications;
- (c) the filing of any assignments or deemed assignments for the general benefit of creditors made pursuant to the BIA;
- (d) any application made pursuant to the *Companies Creditors' Arrangement Act* or any order made pursuant to such application;
- (e) the provisions of any federal or provincial statutes; or
- (f) 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**”) which binds the Companies and notwithstanding any provision to the contrary in any Agreement

39. Notwithstanding any provision to the contrary in any Agreement:

- (a) Neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Interim Financing Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Companies of any Agreement to which it is a party;
- (b) 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 Companies entering into the Interim Financing Term Sheet or Definitive Documents, the creation of the Charges; or

the execution, delivery or performance of the Interim Financing Term Sheet or Definitive Documents;

(c) the payments made by the Companies pursuant to this Order, the Interim Financing Term Sheet, and 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, including but not limited to the BIA.

40. **THIS COURT ORDERS** that any Charge created by this Order over one or more leases of real property in Canada shall only be a Charge in the Companies' interest in such real property leases.

SERVICE & NOTICE

41. **THIS COURT ORDERS** that the Guide Concerning Commercial List E-Service (the "Guide") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 14 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website (defined in the Guide) shall be established in accordance with the Guide with the following URL: www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/oem-automotive-solutions-inc.

42. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Companies and the Trustee are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by ordinary prepaid mail, courier, personal delivery or facsimile transmission to the Companies' creditors or other interested parties at their respective addresses as last shown on the records of the Companies and that any such service or distribution by courier, personal delivery or facsimile 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.

43. **THIS COURT ORDERS** that the Companies, the Trustee and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Companies' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

44. **THIS COURT ORDERS** that the Trustee may from time to time apply to this Court for advice and directions in the discharge of its powers and duties under this Order.

45. **THIS COURT ORDERS** that nothing in this Order shall prevent the Trustee from subsequently expressly acting as an interim receiver, a receiver, a receiver and manager or a trustee in bankruptcy of the Companies, the Business or the Property.

46. **THIS COURT REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Companies, the Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Companies and the Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Trustee in any foreign proceeding or to assist the Companies, the Trustee and their respective agents in carrying out the terms of this Order.

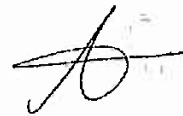
47. **THIS COURT ORDERS** that each of the Companies and the Trustee is at liberty and is authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Trustee is authorized and empowered to act as a representative in respect

of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

48. **THIS COURT ORDERS** that any interested party (including the Companies and the Trustee) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to all parties on the Service List and 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, provided, however, that the Chargees shall be entitled to rely on this Order as granted and on the Charges and priorities set forth in paragraph 34 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

49. **THIS COURT ORDERS** that any interested party (including the Companies and the Trustee) may apply to this Court to vary or amend this Order on not less than seven 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.

50. **THIS COURT ORDERS** that this Order is effective as of 12:01 a.m. from today's date and is enforceable without the need for entry and filing.



**HONORABLE JUSTICE
ALEXANDRE KAUFMAN**

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SCHEDULE "A"

LEGAL DESCRIPTION OF LANDS

1. Owned by OEM Automotive Cornwall Inc.

PIN 60180-0067 (LT)

PT LT 16 S/S SEVENTH ST PL CORNWALL PT 2 52R2252; CORNWALL

2. Owned by OEM Automotive Holdings Inc.

PIN 60180-0282 (LT)

PART LOT 16 SOUTH SIDE SEVENTH STREET PLAN CORNWALL, PARTS 1
AND 2, 52R4375; CITY OF CORNWALL

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SCHEDULE "B"

SALE AND INVESTMENT SOLICITATION PROCESS

[see attached]

SALE AND INVESTMENT SOLICITATION PROCESS

INTRODUCTION

1. On December 22, 2023, OEM Automotive Solutions Inc. (o/a Cornwall Volkswagen), OEM Automotive Holdings Inc. and OEM Automotive Cornwall Inc. (collectively, “**Cornwall VW**” or the “**Company**”) each filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”, and the proceedings, the “**NOI Proceedings**”). BDO Canada Limited, a licensed insolvency trustee, was appointed as proposal trustee (the “**Trustee**”) under the NOI Proceedings.
2. To further the Company’s restructuring efforts, on or about January 17, 2024, the Ontario Superior Court of Justice (the “**Court**”) granted an order (the “**Sale Process Approval Order**”) which approved, amongst other things:
 - (a) the Sale and Investment Solicitation Process (“**SISP**”) for the marketing of the Company’s business and assets, including its dealership assets (the “**Dealership Assets**”) and its owned real estate assets (together, the “**Real Property**”, and collectively with the Dealership Assets, the “**Property**”) for the purposes of soliciting (i) offers to acquire the business and assets of the Company and (ii) offers of investment in the business of the Company;
 - (b) the engagement of Dealer Solutions North America Inc. as sales agent (the “**Sales Agent**”) to assist the Trustee with carrying out the SISP; and
 - (c) the Trustee, with the assistance of the Sales Agent, to undertake the SISP.
3. The SISP herein sets out the manner in which: (a) binding offers for executable transactions involving the business and/or Property of the Company and/or the equity or all or substantially all of the Property of the Company, will be solicited from interested parties; (b) any such offers received will be addressed; (c) any Successful Bid (as defined below) will be selected; and (d) Court approval of any Successful Bid will be sought.
4. The SISP will be conducted by the Sales Agent and the Trustee in the manner set forth herein and in accordance with the Sale Process Approval Order. In the event that there is a disagreement as to the interpretation or application of the SISP, the Court will have exclusive jurisdiction to hear and resolve such dispute.
5. The Trustee will post on the Trustee’s websites, any such modification, amendment, variation or supplement to the SISP and inform the bidders impacted by the modification.

OPPORTUNITY

6. The SISP is intended to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Company’s Property (the “**Opportunity**”). The Opportunity may include one or more of a restructuring, recapitalization or other form of reorganization of the business and affairs of the Company as a going concern or a sale of all, substantially all or one or more components of the Company’s Property as a going concern or otherwise.

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7. The SISP describes the manner in which individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures, government organizations or other entities (each “**Person**”) may gain access to or continue to have access to due diligence materials concerning the Property, and how the offers involving the Property will be submitted to and dealt with by the Trustee and the Sales Agent, and how Court approval will be obtained in respect of any Transaction (as defined below).
8. The Sales Agent, with the oversight of the Trustee, intends to provide all qualified interested parties with an opportunity to participate in the SISP.
9. As described below, the various deadlines herein may be extended by and at the discretion of the Trustee, with the approval of the consulting parties (namely, the debtor-in-possession (“**DIP**”) lender, the Bank of Montreal (the “**DIP Lender**”)), in the event that it is determined that such extension will generally benefit the Company’s creditors and other stakeholders.
10. The Company’s management and/or any of the Company’s equity holders shall not be privy to any of the bid information outlined herein including the evaluation and selection of offers. The Trustee may request, at any time, written confirmation from the Company’s management and any of the Company’s equity holders as to (a) whether or not they intend to participate in the SISP and (b) disclosure of any interest or involvement any such party may have in or with any other party participating in the SISP.

“AS IS, WHERE IS BASIS”

11. Any transaction involving all or any portion of the Property (each a “**Transaction**”) will be completed with Court approval on an “as is, where is” basis and without surviving representations, warranties, covenants or indemnities of any kind, nature or description by the Company, Sales Agent, the Trustee, or any of their respective agents, estates, advisors, professionals or otherwise, except to the extent expressly set forth in the relevant Definitive Transaction Agreement (as defined herein).

TIMELINE

12. The SISP shall commence immediately following the issuance of the Sale Process Approval Order. The table below sets out subsequent key deadlines in the SISP that interested parties should note (terms within the table are defined in subsequent paragraphs):

<u>Milestone</u>	<u>Deadline</u>
Go to market	Monday, January 29, 2024

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Expression of Interest Date (EOI Deadline)	Thursday, February 29, 2024 (5:00 PM Eastern Time)
EOI Offer Selection Date	Tuesday, March 5, 2024
Binding Letter of Intent Date (LOI Deadline)	Friday, March 15, 2024 (5:00 PM Eastern Time)
Offer Selection Date	Tuesday, March 19, 2024
Definitive Transaction Agreement	Wednesday, April 3, 2024
Hearing of the Sale Approval Motion / Transaction Execution Date	Subject to availability of the Court
Closing the Transaction (outside date)	No later than Tuesday, April 30, 2024

Solicitation of Interest: Notice of the SISP

13. As soon as reasonably practicable, but in any event by no later than Monday, January 29, 2024:
 - (a) The Sales Agent, with approval of the Trustee, will prepare a list of potentially interested parties, including (i) parties that have approached the Company, Trustee or the Sales Agent indicating an interest in the Opportunity, and (ii) local and international strategic and financial parties who the Sales Agent with the approval of the Trustee, believe may be interested in purchasing all or part of the Property or investing in the Company pursuant to the SISP (the “Known Potential Bidders”); and
 - (b) the Sales Agent, with the approval of the Trustee, 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 Trustee, and the Company (the “NDA”).
14. The Sales Agent will send the Teaser Letter and NDA to all Known Potential Bidders, and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Company or the Sales Agent as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Potential Bidders and Due Diligence Materials

15. Any party who wishes to participate in the SISP (a “Potential Bidder(s)”) must provide to the Sales Agent an executed NDA, and which shall inure to the benefit of any purchaser of the business or Property of the Company, or any portion thereof, and a letter setting forth the identity of the Potential Bidder, the contact information for such

Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.

16. The Sales Agent, with the approval of the Trustee, shall in their reasonable business judgment and subject to competitive and other business considerations, afford each Potential Bidder who has signed and delivered the NDA to the Sales Agent and provided information as to their financial wherewithal to close a transaction, such access to due diligence material and information relating to the Property as the Sales Agent and the Trustee deem appropriate.
17. Due diligence shall include access to a virtual data room (“VDR”) containing information about the Company, including its Property, and may also include management presentations, on-site inspections, and other matters which a Potential Bidder may reasonably request and as to which the Company, in their reasonable business judgment and after consulting with the Sales Agent and Trustee, may agree. The Sales Agent will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Potential Bidders and the manner in which such requests must be communicated.
 - (a) A statement of qualification (“SoQ”) which addresses the financial capabilities, operational capabilities and ownership details of a Potential Bidder may be required to gain access to the VDR. This will be determined by the Sales Agent with the approval of the Trustee.
18. Neither the Sales Agent nor the Company will be obligated to furnish any information relating to the Property to any person other than to Potential Bidders. Furthermore, and for the avoidance of doubt, select due diligence materials may be withheld from certain Potential Bidders if the Sales Agent, with the approval of the Trustee, determines such information to represent proprietary or sensitive competitive information. Neither the Sales Agent, the Trustee or the Company is responsible for, and will bear no liability with respect to, any information provided and obtained by any party in connection with the sale of the Property.
19. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property in connection with their participation in the SISP and any transaction they enter into with the Company.

Non-Binding Expressions of Interest

20. To be considered for inclusion in the next round of the process, Expressions of Interest (“EOI”) should describe in sufficient detail all material matters relating to the proposed Transaction. EOI’s must be received by the Trustee and Sales Agent at the address specified in Schedule “1” hereto (including by e-mail) not later than **5:00 PM (Eastern Time) on February 29, 2024**, or as may be modified in the bid process letter that may be circulated by the Sales Agent to Potential Bidders, with the approval of the Trustee. While EOI’s may be non-binding, at a minimum an EOI should include clear statements with respect to the following information:
 - (a) Identity of the entity or entities acquiring the Company (i.e., if acquiring the Company indirectly, through a subsidiary, a limited partnership or other entity), including the identity of any entity that controls such acquiring entity. Additionally, given the nature of this Company’s business, the EOI must state the

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- individual/party that will be the dealer principal with Volkswagen Canada (“VW”);
- (b) Cash purchase price (in Canadian dollars) that is to be paid in connection with the Transaction, including an explanation of the methods and key assumptions used to determine the purchase price (the “**Purchase Price**”);
 - (c) Indication of deal structure, including but not limited to: an investment in Cornwall VW (shares, preferred shares, debt purchase, etc., an “**Investment Proposal**”) or an acquisition of all, substantially all or a portion of the Property (outright purchase of the shares of Cornwall VW, “**Share Purchase Agreement**” or purchase of select, or all or substantially all of the assets of Cornwall VW, “**Asset Purchase Agreement**”, together a “**Sale Proposal**”);
 - (d) Proposed financing for the Transaction and, if other than internal funds, the expected sources of such financing, the expected timing for commitment of funds and the steps required to secure such commitment;
 - (e) Nature of additional diligence required before entering into a binding LOI with Cornwall VW;
 - (f) Assumptions and intentions with respect to retention of management and employees;
 - (g) Outline any regulatory, shareholder, lender or other third-party approvals that would be required or potentially required and the estimated timetable required to conclude a Transaction and whether the EOI is conditional on any other items;
 - (h) Any conditions to closing or any other terms and conditions that would be required in order to complete the Transaction;
 - (i) Contact Information for those persons who should be contacted with respect to the EOI; and
 - (j) Disclosure of any other matters that may be helpful in the evaluation of the EOI and complete the Transaction on a timely basis.

Evaluation and Selection of EOIs

21. An EOI will be evaluated based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such bid, (ii) the identity, circumstances and ability of the Potential Bidder to successfully complete such transactions, (iii) the proposed transaction documents, (iv) factors affecting the speed, certainty and value of the transaction, (v) the assets included or excluded from the bid, (vi) any related restructuring costs, and (vii) the likelihood and timing of consummating such transaction, each as determined by the Sales Agent, the Trustee and the DIP Lender.
22. The Sales Agent shall notify each Potential Bidder who submitted an EOI in writing as to whether its EOI was selected to continue in the SISP (the “**Selected EOIs**”) by no later than **Tuesday March 5, 2024**, or at such later time as the Sales Agent and Trustee deems appropriate, with the approval of the DIP Lender.

Binding Letters of Intent

23. Potential Bidders with Selected EOs that wish to make a formal offer to purchase or make an investment in the Company or its Property (a “**Bidder**”) shall submit a binding Letter of Intent (a “**LOI**”) that complies with all of the following requirements of the Trustee and the Sales Agent at the Trustee’s and Sales Agent’s address specified in Schedule “1” hereto (including by e-mail), so as to be received by the Trustee and Sales Agent not later than **5:00 PM (Eastern Time) on Friday March 15, 2024** or as may be modified in the bid process letter that may be circulated by the Sales Agent to Potential Bidders, with the approval of the Trustee and its stakeholders (the “**LOI Deadline**”):
- (a) the LOI must be either a binding offer to make:
 - (i) a Sale Proposal to acquire all, substantially all or a portion of the Property (outright purchase of the shares of Cornwall VW, or purchase of select, or all or substantially all of the Property of Cornwall VW); and/or
 - (ii) an Investment Proposal for an investment in, restructure, recapitalization or reorganize of the Company (shares, preferred shares, debt purchase, etc.).
 - (b) the LOI (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 Company or its Property and is consistent with any necessary terms and conditions established by the Sales Agent and the Trustee and communicated to Bidders;
 - (c) the LOI includes a letter stating that the Bidder’s offer is irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;
 - (d) the LOI includes draft mark-ups of the transaction agreements included in the VDR, including the purchase price (by major asset type/legal entity), investment amount and any other key economic terms expressed in Canadian dollars, together with all exhibits and schedules thereto;
 - (e) the LOI includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Trustee and the Sales Agent to make a determination as to the Bidder’s financial and other capabilities to consummate the proposed transaction;
 - (f) the LOI is not conditional on (i) the outcome of unperformed due diligence by the Bidder, or (ii) obtaining financing, or (iii) the Company receiving the required approvals or amendments relating to the supply management, distribution and licence agreements required to operate the dealership (other than the dealer principal individual/party approval by VW);
 - (g) the LOI fully discloses the identity of each entity that will be entering into the Transaction or the financing, or that is otherwise participating or benefiting from such bid (including the dealer principal individual/party with VW);
 - (h) for a Sale Proposal, the LOI includes:
 - (i) the Purchase Price in Canadian dollars (by major asset type/legal entity) and a description of any non-cash consideration, including details of any

- liabilities to be assumed by the Bidder and key assumptions supporting the valuation;
 - (ii) a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
 - (iii) a specific indication of the financial capability of the Bidder and the expected structure and financing of the transaction;
 - (iv) a description of the conditions and approvals required to complete the closing of the transaction;
 - (v) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and which such liabilities and obligations it does not intend to assume;
 - (vi) any other terms or conditions of the Sale Proposal that the Bidder believes are material to the transaction; and
 - (vii) a commitment by the Bidder to provide a non-refundable deposit, the greater of: an amount of not less than 10% of the Purchase Price offered or \$250,000, upon the Bidder being selected as the Successful Bidder.
- (i) for an Investment Proposal, the LOI includes:
- (i) a description of how the Bidder proposes to structure the proposed investment, restructuring, recapitalization, or reorganization, and a description of any non-cash consideration;
 - (ii) the aggregate amount of the equity and/or debt investment to be made in the business or the Company in Canadian dollars;
 - (iii) the underlying assumptions regarding the pro forma capital structure;
 - (iv) a specific indication of the sources of capital for the Bidder and the structure and financing of the transaction;
 - (v) a description of the conditions and approvals required to complete the closing of the transaction;
 - (vi) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and those liabilities and obligations it does not intend to assume;
 - (vii) any other terms or conditions of the Investment Proposal; and
 - (viii) a commitment by the Bidder to provide a non-refundable deposit, the greater of: an amount of not less than 10% of the total new investment contemplated or \$250,000, upon the Bidder being selected as the Successful Bidder.
- (j) the LOI includes acknowledgements and representations of the Bidder that the Bidder:
- (i) has had an opportunity to conduct any and all due diligence regarding the Property, and the Company prior to making its offer;
 - (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

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- (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether expressed, implied, statutory, or otherwise, regarding the Company, or the Property, or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Company;
 - (k) the LOI is received by the LOI Deadline; and
 - (l) the LOI contemplates closing the transaction set out therein no later than **Tuesday, April 30, 2024**, subject to obtaining Court approval and VW's approval of the dealer principal.
- 24. Following the LOI Deadline, the Sales Agent, the Trustee and the DIP Lender will assess the LOIs received. The Sales Agent, with the approval of the Trustee, will designate the most competitive LOIs that comply with the foregoing requirements to be "**Qualified Bids**". Only Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).
- 25. The Sales Agent shall notify each Bidder in writing as to whether its LOI constitutes a Qualified Bid by no later than **Tuesday March 19, 2024**, or at such later time as the Trustee deems appropriate.
- 26. The Trustee, in consultation with the Sales Agent and the DIP Lender, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant LOIs to be a Qualified Bid.
- 27. In the event that the Trustee, in consultation with the Sales Agent, is not satisfied with the number or terms of the Qualified Bids, the Trustee may, in consultation with the Sales Agent and DIP lender, extend the Bid Deadline, or may seek Court approval for amendments to the SISP.
- 28. The Trustee may, in consultation with the Sales Agent, aggregate separate Bids from unaffiliated Bidders to create one Qualified Bid.

Evaluation of Competing Bids

- 29. A Qualified Bid will be evaluated based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such bid, (ii) the identity, circumstances and ability of the Bidder to successfully complete such transactions, (iii) the proposed transaction documents, (iv) factors affecting the speed, certainty and value of the transaction, (v) the assets included or excluded from the bid, (vi) any related restructuring costs, and (vii) the likelihood and timing of consummating such transaction, each as determined by the Sales Agent, the Trustee and the DIP Lender.

Selection of Successful Bid

- 30. The Trustee, in consultation with the Sales Agent and the DIP Lender, will:
 - (a) review each Qualified Bid with consideration of the following:

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- (i) the amount of consideration being offered, and, if applicable, the proposed form, composition, and allocation of same;
 - (ii) the value of any assumption of liabilities or waiver of liabilities;
 - (iii) the likelihood of VW accepting the purchaser and identified individual/party as the dealer principal;
 - (iv) the likelihood of the Bidder's ability to close a transaction by **April 30, 2024** (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments and required governmental or other approvals); the likelihood of the Court's approval of the Successful Bid, if required; the net benefit to the Company; and
 - (v) any other factors the Company may, consistent with its fiduciary duties, reasonably deem relevant.
- (b) identify and select the highest or otherwise best bid received (the "**Successful Bid**", and the Bidder making such bid, the "**Successful Party**"), and notify or inform the Successful Party that its bid or Qualified Bid is the Successful Bid.
31. The Successful Party shall complete and execute all agreements, contracts, instruments or other documents including the Definitive Transaction Agreement evidencing and containing the terms and conditions upon which the Successful Bid was made by **Wednesday April 3, 2024**, unless extended by the Trustee, in consultation with and approval from the DIP lender, subject to the milestones or deadlines set forth in paragraph 12.

Sale Approval Motion Hearing

32. A Court date will be scheduled to hear a motion to approve any Transaction with the Successful Party (the "**Sale Approval Motion**"). At the Sale Approval Motion, the Trustee or the Company shall seek, among other things, approval from the Court to consummate the Successful Bid. All Qualified Bids other than the Successful Bid, if any, shall be deemed to be rejected by the Trustee and/or Sales Agent on and as of the date of approval of the Successful Bid by the Court.

Confidentiality and Access to Information

33. All discussions regarding a Sale Proposal, Investment Proposal, or bid in the SISP should be directed through the Sales Agent. Under no circumstances should the Management of the Company be contacted directly without the prior consent of the Sales Agent. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP.
34. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Bidders, Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Company, the Sales Agent and such other bidders or Potential Bidders in connection with the SISP, except to the extent the Trustee, with the approval of the Sales Agent and

consent of the applicable participants, are seeking to combine separate bids from Potential Bidders or Bidders.

35. Following the LOI Deadline, copies of all LOIs shall be shared by the Sales Agent and the Trustee with the DIP Lender for its exclusive review.

Supervision of the SISP

36. The Sales Agent shall conduct the SISP, with the oversight of the Trustee in the manner set out in this SISP procedure and is entitled to receive all information in relation to the SISP.
37. This SISP does not and will not be interpreted to create any contractual or other legal relationship between the Company or the Sales Agent or the Trustee and any Potential Bidder, any Bidder, or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Company and/or Trustee.
38. Without limiting the preceding paragraph, the Sales Agent and Trustee shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Bidder, the Successful Bidder, the Company, or any other creditor or other stakeholder of the Company, for any act or omission related to the process contemplated by this SISP, except to the extent such act or omission is the result of gross negligence or wilful misconduct of the Sales Agent or Trustee. By submitting a bid, each Bidder shall be deemed to have agreed that it has no claim against the Sales Agent and Trustee for any reason whatsoever, except to the extent that such claim is the result of gross negligence or wilful misconduct of the Sales Agent or Trustee.
39. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
40. Notwithstanding the process and deadlines outlined above with respect to the SISP, with the prior consent of the DIP Lender, the Sales Agent and the Trustee may at any time: (i) pause, terminate, amend or modify the SISP; (ii) remove any portion of the business and the Property from the SISP; (iii) bring a motion to the Court to seek approval of a sale of, or investment in, all or part of the Property or the business whether or not such sale or investment is in accordance with the terms or timelines set out in the SISP; and (iv) establish further or other procedures for the SISP, provided that the service list in the NOI Proceedings shall be advised of any substantive modification to the procedures set forth herein.

Schedule "1"

Address of the Trustee and Sales Agent

To the Trustee:

BDO Canada Limited
20 Wellington East
Suite 500
Toronto, Ontario
M5E 1C5

Attention: Clark Lonergan or Peter Naumis

Email: clonergan@bdo.ca

Email: pnaumis@bdo.ca

To the Sales Agent:

Dealer Solutions North America Inc.
305 Renfrew Drive, #202
Markham, Ontario
L3R 9S7

Attention: John Raymond or Etienne Demeules

Email: john.raymond@dsma.com

Email: etienne.demeules@dsma.com

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C., 1985, C. B-3, AS AMENDED

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF OEM AUTOMOTIVE CORNWALL INC.

Court File No. BK-23-03025639-0033
Bankruptcy Estate File No. 33-3025639

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)**

**ORDER
(INITIAL NOI RELIEF)**

LOOPSTRA NIXON LLP
135 Queens Plate Drive – Suite 600
Toronto, ON M9W 6V7

R. Graham Phoenix
Tel: (416) 746-4710
Fax: (416) 746-8319
Email: gphoenix@LN.law

Shahrazad Hamraz
Email: shamraz@LN.law

*Lawyers for OEM AUTOMOTIVE CORNWALL INC.,
OEM AUTOMOTIVE HOLDINGS INC. AND OEM
AUTOMOTIVE SOLUTIONS INC.*

Third Report of the Proposal Trustee
Appendix “J”

OEM Automotive Solutions Inc. ("Solutions")

2024-01-08 to 2024-03-24 Cumulative				
	Projected	Actual	Variance	Comment
Receipts				
New Vehicle Sales	936,000	1,324,948	388,948	
Used Vehicle Sales	235,000	420,941	185,941	
Other Revenue	10,000	38,991	28,991	Permanent positive variance largely due to manufacturer rebates on vehicle sales.
Parts & Service Sales	440,000	481,451	41,451	
To/(From) Intercompany	-	50,000	50,000	Permanent positive variance relating to amounts received from Cornwall and Holdings to pay for projected professional fees and other operating expenses. This will result in a negative variance in the corresponding Cornwall and Holdings cash flows.
HST Collected	210,730	294,623	83,893	
	<u>1,831,730</u>	<u>2,610,954</u>	<u>779,224</u>	
Operating Disbursements				
Lien Payouts	(8,000)	(102,638)	(94,638)	Permanent difference as a result of more vehicles traded in towards the purchase of new vehicles.
Used Vehicle Purchases	-	(112,883)	(112,883)	Permanent difference, in line with positive used vehicle sales variance.
Parts Purchases	(145,000)	(204,252)	(59,252)	
Payroll (Including Taxes)	(236,800)	(252,924)	(16,124)	
Consulting Fee	(8,407)	(5,752)	2,655	
Employee Benefits	(15,000)	(6,603)	8,397	
WSIB	(3,478)	(3,478)	-	
Corporate Credit Card Repayment	(25,000)	(48,878)	(23,878)	Permanent difference as a result of more vendors supplying on a COD basis.
Vendor Payments	(25,000)	(51,394)	(26,394)	
Repairs and Maintenance CAPEX	(12,500)	(353)	12,147	
Rent and Utilities - Property 1 OEM Automotive Cornwall Inc.	(20,971)	(21,124)	(154)	This amount is the total of Rent paid to Cornwall (as shown in Cornwall's Cash Flows), and utilities paid on behalf of Cornwall.
Rent and Utilities - Property 2 OEM Automotive Holdings Inc.	(29,044)	(28,726)	318	This amount is the total of Rent paid to Holdings (as shown in Holdings' Cash Flows), and utilities paid on behalf of Holdings.
Insurance Payments	(35,135)	(42,824)	(7,689)	
HST Paid	(242,777)	(268,190)	(25,412)	
HST Refund (Remittance)	(12,571)	-	12,571	
Debt Service				
Floor Plan Payments To/From BMO	(1,169,430)	(1,394,412)	(224,981)	Permanent difference, in line with positive vehicle sales variance as vehicles sold correspond to floor plan repayment.
BMO Floor Plan Curtailments	(123,417)	(66,794)	56,623	Temporary difference expected to reverse in the upcoming weeks.
BMO Floor Plan Interest	(40,000)	(55,322)	(15,322)	
BMO Goodwill Loan (Interest)	(24,000)	(21,951)	2,049	
Proposal Trustee & its Counsel's Fees	(175,000)	(176,767)	(1,767)	Includes fees paid on behalf of Cornwall and Holdings.
Restructuring Costs	(95,000)	(74,571)	20,429	Timing difference, expected to reverse in the coming weeks. Includes fees paid on behalf of Cornwall and Holdings.
Sales Agent Work Fees	(22,500)	(22,500)	-	
DIP Facility Interest and fees	-	-	-	
Contingency	(41,250)	(16,351)	24,899	
Total Disbursements	<u>(2,510,281)</u>	<u>(2,978,687)</u>	<u>(468,407)</u>	
Cash Balance				
Opening Cash Position per Bank Statement	354,563	354,563	-	
Net Cash Flow	(678,551)	(367,734)	310,817	
Surplus/Shortfall	(323,987)	(13,170)	310,817	
Funding from DIP Facility	425,000	425,000	-	
Ending Cash Position	<u>\$ 101,013</u>	<u>\$ 411,830</u>	<u>\$ 310,817</u>	
Cumulative Cash Flow	(678,551)	(367,734)	310,817	

OEM Automotive Cornwall Inc. ("Cornwall")

2024-01-08 to 2024-03-24 Cumulative				
	Projected	Actual	Variance	Comment
Receipts				
Rent	17,699	17,699	-	
Utilities Collected	3,272	-	(3,272)	
HST Collected	2,726	2,301	(425)	
Total Receipts	23,697	20,000	(3,697)	
Operating Disbursements				
Utilities Payments	(3,272)	-	3,272	
Property Tax	-	-	-	
From/(To) Intercompany	-	(20,000)	(20,000)	Permanent negative variance relating to amounts paid to Solutions to cover for projected professional fees and other operating expenses. This will result in a positive variance in the corresponding Solutions' cash flows.
HST Paid	(3,415)	-	3,415	
HST Refund (Remittance)	-	-	-	
Debt Service & Restructuring Costs				
Scheduled Principal & Interest Payment	(6,840)	(6,840)	-	
Proposal Trustee & its Counsel's Fees	(11,500)	-	11,500	Permanent positive variance as Solutions paid these fees on behalf of Cornwall.
Restructuring Costs	(11,500)	-	11,500	Permanent positive variance as Solutions paid these fees on behalf of Cornwall.
Total Disbursements	(36,527)	(26,840)	9,687	
Cash Balance				
Opening Cash Position per Bank Statement	20,757	20,757	-	
Net Cash Flow	(12,830)	(6,840)	5,990	
Ending Cash Position	7,927	13,917	5,990	

OEM Automotive Holdings Inc. ("Holdings")

2024-01-08 to 2024-03-24 Cumulative				
	Projected	Actual	Variance	Comment
Receipts				
Rent	26,549	26,549	-	
Utilities Collected	2,495	-	(2,495)	
HST Collected	3,776	3,451	(324)	
Total Receipts	32,820	30,000	(2,820)	
Operating Disbursements				
Utilities Payments	(2,495)	-	2,495	
Property Tax	-	-	-	
From/(To) Intercompany	-	(30,000)	(30,000)	Permanent negative variance relating to amounts paid to Solutions to cover for projected professional fees and other operating expenses. This will result in a positive variance in the corresponding Solutions' cash flows.
HST Paid	(4,744)	-	4,744	
HST Refund (Remittance)	-	-	-	
Debt Service & Restructuring Costs				
Scheduled Principal & Interest Payment	(12,703)	(12,703)	-	
Proposal Trustee & its Counsel's Fees	(17,000)	-	17,000	Permanent positive variance as Solutions paid these fees on behalf of Holdings.
Restructuring Costs	(17,000)	-	17,000	Permanent positive variance as Solutions paid these fees on behalf of Holdings.
Total Disbursements	(53,943)	(42,703)	11,240	
Cash Balance				
Opening Cash Position per Bank Statement	28,496	28,496	-	
Net Cash Flow	(21,123)	(12,703)	8,420	
Ending Cash Position	7,373	15,793	8,420	

Third Report of the Proposal Trustee
Appendix “K”

Court File No. **BK-33-03025642**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

(IN BANKRUPTCY & INSOLVENCY)

**IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C.,
1985, C. B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE
CORNWALL INC. AND OEM AUTOMOTIVE HOLDINGS INC.**

**AFFIDAVIT OF CLARK LONERGAN
(Sworn March 27, 2024)**

I, **CLARK LONERGAN**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY** that:

1. I am a Partner of BDO Canada Limited, and as such have personal knowledge of the matters referred to herein.
2. On December 22, 2023 (the “**Filing Date**”), OEM Automotive Solutions Inc. (“**Solutions**”), OEM Automotive Cornwall Inc. (“**Cornwall**”), and OEM Automotive Holdings Inc. (“**Holdings**”, collectively with Solutions and Cornwall, the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI(s)**”) pursuant to section 50.4 of the Bankruptcy & Insolvency Act, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited (“**BDO**”), a Licensed Insolvency Trustee, was named proposal trustee (the “**Proposal Trustee**”) in each of the Companies’ proposal proceedings (collectively, the “**Proposal Proceedings**”).
3. On January 11, 2024, the Proposal Trustee finalized its First Report to the Court in which it outlined its activities with respect to Proposal Proceedings.

4. On February 22, 2024, the Proposal Trustee finalized its Second Report to the Court in which it outlined additional activities undertaken with respect to the Proposal Proceedings, as well as provided information with respect to the Proposal Trustee's fees and disbursements for the period of December 22, 2023 to January 19, 2024 and those of its legal counsel.
5. On March 27, 2024, the Proposal Trustee finalized its Third Report to the Court in which it outlined additional activities undertaken with respect to the Proposal Proceedings, as well as provided information with respect to the Proposal Trustee's fees and disbursements for the period of January 20, 2024 to March 22, 2024 (the "**Period**") and those of its legal counsel.
6. The Proposal Trustee commenced its activities on the Filing Date, the Proposal Trustee has been engaged in carrying out the administration of the Proposal Proceedings and Court approved sales process.
7. The Proposal Trustee has provided services, in the amount of \$181,580.50 (excluding HST), during the Period with respect to services provided. Attached hereto and marked as **Exhibit "A"** to this my Affidavit is a summary of all invoices, rendered by the Proposal Trustee, on a periodic basis during the Period (the "**Proposal Trustee's Accounts**").
8. True copies of the Proposal Trustee's Accounts, which include a fair and accurate description of the services provided, along with hours and applicable rates claimed by the Proposal Trustee, are attached as **Exhibit "B"** to this my Affidavit.
9. In the course of performing its duties as set out above at paragraph 6, the Proposal Trustee's staff expended a total of 322.9 hours during the Period. Attached as **Exhibit "C"** to this my affidavit is a schedule setting out a summary of the individual staff involved in the administration of the Proposal Trustee's appointment and the

hours and applicable rates claimed by the Proposal Trustee for the Period. The average hourly rate billed by the Proposal Trustee during this Period is \$562.34.

10. The Proposal Trustee requests that this Court approve its Proposal Trustee's Accounts for the Period, in the total amount of \$181,580.50 (excluding HST) for services rendered and recorded during the Period.
11. The time and amounts shown in the detailed account attached as Exhibits A-C are a fair and accurate description of the services provided and the amounts charged by the Proposal Trustee, which reflect the Proposal Trustee's time as billed at the standard billing rates.
12. Fogler, Rubinoff LLP ("**Fogler**"), as independent legal counsel to the Proposal Trustee, has provided legal services to the Proposal Trustee throughout the Proposal Proceedings in a manner consistent with the instructions of the Proposal Trustee and has prepared an affidavit with respect to the services rendered in the period from February 7, 2024 to February 27, 2024 (the "**Counsel's Period**"). The Proposal Trustee has reviewed the invoices rendered by Fogler during the Counsel's Period.
13. To the best of my knowledge, the rates charged by the Proposal Trustee and Fogler are comparable to the rates charged for the provision of similar services by other accounting and law firms in downtown Toronto.
14. I verily believe that the fees and disbursements incurred by BDO, in its respective capacity as Proposal Trustee, and Fogler are fair and reasonable in the circumstances.
15. This affidavit is sworn in support of the Companies' motion for, among other things, approval of the Proposal Trustee's fees and disbursements and those of its legal representatives and for no other or improper purpose.

- 4 -

SWORN before me at the City of)
Toronto, in the Province)
of Ontario this 27th day of March)
2024)


A commissioner, etc.

Antonio Montesano, a Commissioner, etc.,
Province of Ontario, for BDO Canada LLP
and BDO Canada Limited, and
their subsidiaries, associates and affiliates.
Expires December 21, 2026.


CLARK LONERGAN

This is Exhibit "A" referred to in the Affidavit of
Clark Lonergan, sworn before me this 27th day of
March, 2024.

A handwritten signature in black ink, appearing to read "T. Montesano", written over a horizontal line.

A Commissioner for Taking Affidavits

TONY MONTESANO

Antonio Montesano, a Commissioner, etc.,
Province of Ontario, for BDO Canada LLP
and BDO Canada Limited, and
their subsidiaries, associates and affiliates.
Expires December 21, 2026.

EXHIBIT "A"

BDO CANADA LIMITED

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC., AND OEM AUTOMOTIVE HOLDINGS INC.
FEES SUMMARY FROM JANUARY 20, 2024 TO MARCH 22, 2024

Invoice #	Entity	Period	Fees Incurred	HST	Total
CINV2761375	OEM Automotive Solutions Inc.	January 20, 2024 to February 23, 2024	\$ 70,961.50	\$ 9,225.00	\$ 80,186.50
CINV2761372	OEM Automotive Cornwall Inc.	January 20, 2024 to February 23, 2024	15,189.00	\$ 1,974.57	17,163.57
CINV2761369	OEM Automotive Holdings Inc.	January 20, 2024 to February 23, 2024	15,189.00	\$ 1,974.57	17,163.57
CINV2778522	OEM Automotive Solutions Inc.	February 24, 2024 to March 22, 2024	55,562.00	\$ 7,223.06	62,785.06
CINV2778517	OEM Automotive Cornwall Inc.	February 24, 2024 to March 22, 2024	12,339.50	\$ 1,604.14	13,943.64
CINV2778519	OEM Automotive Holdings Inc.	February 24, 2024 to March 22, 2024	12,339.50	\$ 1,604.14	13,943.64
			<u>\$ 181,580.50</u>	<u>\$ 23,605.47</u>	<u>\$ 205,185.97</u>

This is Exhibit "B" referred to in the Affidavit of
Clark Lonergan, sworn before me this 27th day of
March, 2024.

A handwritten signature in black ink, appearing to read "T. Montesano", written over a horizontal line.

A Commissioner for Taking Affidavits

TONY MONTESANO

Antonio Montesano, a Commissioner, etc.,
Province of Ontario, for BDO Canada LLP
and BDO Canada Limited, and
their subsidiaries, associates and affiliates.
Expires December 21, 2026.



Tel: 416 865 0210
 Fax: 416 865 0904
www.bdo.ca

BDO Canada Limited
 20 Wellington Street E, Suite 500
 Toronto ON M5E 1C5 Canada

Strictly Private & Confidential

OEM Solutions Inc
 c/o BDO Canada Limited
 20 Wellington Street E, Suite 500
 Toronto, ON M5E 1C5

Date	Invoice
February 27, 2024	CINV2761375

RE: OEM Automotive Solutions - NOI

TO OUR FEE FOR PROFESSIONAL SERVICES rendered in connection with our engagement as Trustee in the above noted matter for the period January 20, 2024 to February 23, 2024 as per the details below.

Our Fee	\$ 70,961.50
HST - 13.00% (#R101518124)	9,225.00
TOTAL	\$ 80,186.50

Summary of Time Charges:

	Hours	Rate	Amount
C. Lonergan, Partner	45.4	735.00	33,369.00
P. Naumis, Sr. Manager	19.7	625.00	12,312.50
H. Yin, Analyst	64.0	395.00	25,280.00
Total	129.1		\$ 70,961.50

BANK WIRE TRANSFER/EFT PAYMENTS: Payment can be made online in Canadian funds. Please ensure you email your online payment confirmations including invoice #, amount paid and payment date) to EFTPayments@bdo.ca

The banking information for BDO Canada Limited is as follows for Canadian Funds

CIBC Main Branch
 Commerce Court
 199 Bay Street
 Toronto, ON M5L 1G9
 Account Name: BDO Canada Limited

Bank: Canadian Imperial Bank of Commerce
 Bank Institution #: 010
 Transit #: 00002
 Account #: 91-26910
 Swift Reference #: CIBCCATT

Staff	Date	Comments	Hours
C. Lonergan	22-Jan-24	Sales process - follow up with Sales Agent re: appraisals, review and comment on appraiser engagement letter, discussion with BDO team and Counsel re: the same; follow up with Sales Agent on purchaser list and teaser, review of correspondence re: BMO security position, etc.	1.4
H. Yin	22-Jan-24	Receive and review various emails from Sales Agent re: SISP; review various emails from the Company; update meeting with P. Naumis and C. Bourret; Correspondence with J. Raymond and E. Demeules re: SISP teaser, inquiry list, etc.; correspondence with C. Wolf re various treasury matters; prepare Cash Flow variance analysis for previous week; correspondence with M. Paquette re: Weekly Sales, upcoming loan payments, etc.	4.4
P. Naumis	22-Jan-24	Update call with C. Bourret; update and review critical supplier list, cash flow, priority, etc.; review status of due diligence materials and virtual data room; update on property appraisals; review updated financial information and projections; discussions with BDO team re: cash flow variances, estimated cash position for payroll and approved disbursements; discussion re: reconciling the Enterprise account and VW warranty reimbursements, etc.	1.5
C. Lonergan	23-Jan-24	SISP update, review of NDA and purchaser listings, DIP update and letter request of BMO review re: the same, follow up with BMO and counsel re: DIP, follow-up with VW pre-filing discussion and correspondence with Counsel re: the same, etc.	1.4
H. Yin	23-Jan-24	Update meeting with the Company; correspondence with M. Paquette re: various vehicle sales matters; correspondence with D. Land re: treasury, review Cash Flow reconciliation; meeting with Sales Agent re: SISP, teaser document, etc.; draft email to the Company re: due diligence checklist; draft DIP funding first advance request for C. Bourret's approval; review email received from D. Poirier re: pre-filing payments made on corporate credit card; correspondence with S. Upson from Cushman & Wakefield to set up site visit, etc.	2.2
P. Naumis	23-Jan-24	Update call with C. Bourret re: weekly cheque run, pre-filing concerns, etc.; call and update with Sales Agent re: status of due diligence, buyer's list, etc.; additional due diligence information requirements, timing, etc.; update and review monitoring and variance analysis; update on potential critical vendor identified by the Company, etc.	1.4
C. Lonergan	24-Jan-24	SISP update - discussion with potential purchasers; VW update re: the same, VW pre-filing correspondence and discussion with BDO team and Counsel re: the same; review of BMO security position and discussion with BDO team and Counsel re: the same, etc.	1.4
H. Yin	24-Jan-24	Receive and review opinion letter from Counsel re: BMO security position and discussion with C. Lonergan re: same; correspondence with vendors re: current situation; meeting with Counsel re: Volkswagen pre-filing payments, draft email re same for C. Lonergan's review; review buyer's list from Sales Agent, etc.	1.7
P. Naumis	24-Jan-24	Update call with C. Bourret re: due diligence materials, etc; review updated due diligence materials, etc.	0.5

Staff	Date	Comments	Hours
C. Lonergan	25-Jan-24	Review of cash flow and cash position with BDO team, critical vendors analysis and discussion with Company and their counsel re: the same, discussion with Interim Lender re: cash position update, SISP update and next steps, etc.	2.1
H. Yin	25-Jan-24	Email to Sales Agent re: additions to buyer's list; correspondence with vendors; follow up re: teaser document from Sales Agent and call re: the same. Call with P. Naumis re: appraisal update, etc.	1.7
P. Naumis	25-Jan-24	Call with H. Yin re appraisal update.	0.1
C. Lonergan	26-Jan-24	SISP - Teaser and CIM review, finalize with the Sales Agent, review of buyers list, APA sample review, discussion with the BDO team and Counsel re: the same; call with VW re: pre-filing obligations and go-forward plan, etc.	5
H. Yin	26-Jan-24	Correspondence with P. Naumis re: vendor issues; correspondence with various vendors re: same; meeting with Sales Agent re: teaser document and CIM for SISP; update meeting with C. Bourret; review buyer's list from Volkswagen; correspondence with C. Lonergan re: CIM, review and suggest changes re same; correspondence with D. Land re: various accounting matters; correspondence with Counsel re: SISP documents, CIM disclaimer, etc.; meeting with Volkswagen Canada re pre-filing payments and go-forward plan; etc.	4.8
P. Naumis	26-Jan-24	Call with Sales Agent re: teaser, CIM and January 29 live date; update and comment on draft material; call with C. Bourret re: update on SISP; update on concern over pre-filing creditors, confirmation of invoices, parts on hold, and contact person; call with VW re: pre-filing amounts taken from account, workout to refund or credit against future parts orders, SISP process, potential purchaser vetting franchise law re: 14 calendar day cooling off period, etc.; review working draft CIM and add comments, etc.	2.1
C. Lonergan	29-Jan-24	Review of CIM and SISP update, cash flow update and discussion with BDO team re: the same, update correspondence to Bank and Counsels re: VW update, etc.	1.6
H. Yin	29-Jan-24	Update call with C. Bourret; correspondence with vendors; correspondence with Sales Agent re finalized teaser and last-minute changes; review of draft marketing materials; meeting with C. Wolf and D. Land re: various accounting matters; review previous week's bank activities; call with C. Lonergan re: next steps, etc.	3.1
P. Naumis	29-Jan-24	Call and update with C. Bourret.	0.4
C. Lonergan	30-Jan-24	EOI update, review various other SISP documents, and review of the cash flow variances, etc.	0.4
H. Yin	30-Jan-24	Review Sales Agents' EOI and LOI template, draft EOI bid sheet; review same APA from Counsel; draft email to C. Bourret re: action items for BDO; review and finalize Sales Agent's CIM for SISP; email to BMO re: various matters; conduct weekly variance analysis for Cash Flow forecast; etc.	3.4

Staff	Date	Comments	Hours
C. Lonergan	31-Jan-24	Planning update, review of APA, critical vendor update, SISP update with the Sales Agent, discussion with BDO team re: update, etc.	1
H. Yin	31-Jan-24	Correspondence with C. Wolf re: accounting matters; update meeting with C. Bourret; correspondence with vendors; review latest inquiries sent to GBA Accounting; correspondence with Sales Agent re: CIM and Teaser; draft Process Letter for C. Lonergan's review; correspondence with P. Naumis and C. Lonergan re: updates and next steps; etc.	3.8
P. Naumis	31-Jan-24	Update with C. Bourret; review of SISP marketing materials, comment and update; interested party query; various other SISP updates, etc.	1.4
H. Yin	01-Feb-24	Correspondence with vendors; correspondence with D. Armstrong re: vendor return; draft email to Volkswagen to reconcile Pre-Filing finalize amounts; correspondence with C. Wolf re: various accounting matters; review latest 2022 FS inquiries; update data room with new information for due diligence, etc.	2.6
P. Naumis	01-Feb-24	Review and discuss follow ups from interested party.	0.4
C. Lonergan	02-Feb-24	SISP update, discussion with Sales Agent, call with potential purchaser, review of cash flows and professional invoices, etc.	1
H. Yin	02-Feb-24	Correspondence with C. Bourret re updates; correspondence with P. Naumis re: vendor issues; correspondence with various vendors; review and execute NDAs received from the Sales Agent, etc.	1.6
P. Naumis	02-Feb-24	Various correspondence to and from counsel for OEM re: pre-filing creditors payment urgency, etc.; correspondence with Counsel re: ability to pay, etc.; issues with Enterprise, account cut-off, customer issues, etc.	1.4
C. Lonergan	05-Feb-24	Update with BMO re: SOT's, vehicle count reporting update, invoicing, etc.	0.6
H. Yin	05-Feb-24	Update call with C. Bourret; Call with the Sales Agent re: SISP and access to Virtual Data Room, etc.	0.6
P. Naumis	05-Feb-24	Status updates re: pre-filing creditors - Enterprise and UAP.	0.6
C. Lonergan	06-Feb-24	APA review, update on Sales Process letter, cash flow monitoring per DIP agreement, review of Sales Agent Update, etc.	3.4
H. Yin	06-Feb-24	Weekly Cash Flow variance analysis; perform January monthly cash reconciliation; draft update to BMO; update meeting with C. Bourret; correspondence with vendors; review emails received from the Company; correspondence with D. Land re: banking activities; correspondence with M. Paquette re: vehicle sales; etc.	3.9
P. Naumis	06-Feb-24	Update meeting with C. Bourret on Enterprise Car Rental issues and administration; assess loaner cars, VW payments, cash flow monitoring findings, etc.	0.9
H. Yin	07-Feb-24	Update call with C. Bourret; correspondence with P. Naumis re: various matters related to vendors, cash flow, etc; correspondence with C. Lonergan re: inventory count, Second Court Report, etc.; correspondence with M. Paquette re: vehicles sales; correspondence with C. Wolf re: accounting and treasury matters; correspondence with G. Macdonell re:	4.4

Staff	Date	Comments	Hours
		VTB loan; correspondence with D. Armstrong re: upcoming inventory count procedures; meeting with Sales Agent re: SISP updates; etc.	
P. Naumis	07-Feb-24	Update call with BDO team, etc.	0.4
H. Yin	08-Feb-24	Draft DIP second advance letter and send to BMO; correspondence with A. Mason re: warranty claims and draft email to Volkswagen re: same; review various email received from C. Wolf; finalize process letter for virtual data room and send to Sales Agent to circulate; correspondence with P. Naumis re: vendor payments and purchase price allocation form draft; etc.	1.6
P. Naumis	08-Feb-24	Update call with H. Yin re vendor payments and EOI bid sheet.	0.1
P. Naumis	09-Feb-24	Review, comment on draft purchase price allocation schedule; correspondence to and from the shareholders, etc.	0.7
H. Yin	12-Feb-24	Update call with C. Bourret; meeting with VW Accounts Payables team re terms going forward and pre-filing payment treatment; call with C. Wolf and D. Poirier re: AP items; correspondence with the Sales Agent re: SISP; etc.	1.1
P. Naumis	12-Feb-24	Update and discussion with H. Yin re: SISP update, interested party comments, Draft Second Report, etc.; discuss CEBA notice in personal name of C. Bourret; review draft appraisal; etc.	0.8
C. Lonergan	13-Feb-24	Review of shareholder communication, update on appraisal, SISP update, action items update with BDO team, WIP discussion, etc.	1.8
H. Yin	13-Feb-24	Update call with C. Bourret; meeting with the shareholders re: concerns raised, SISP, etc.; meeting with BDO team re: the same; draft email update re: matters discussed with the shareholders; finalize EOI purchase price allocation sheet and send to the Sales Agent; correspondence with Cushman & Wakefield re: appraisal draft report changes; review email received from M. Paquette re: sales department related disbursements; drafting the Second Report; etc.	4.1
P. Naumis	13-Feb-24	Call with the shareholders re: concerns raised, SISP, offer process, etc.; receive and review various information from the shareholders; communicate concerns with stakeholders; call with counsel for the shareholders, debrief on discussions and moving forward; etc.	2.4
C. Lonergan	14-Feb-24	Update email for the Company, Bank, and counsels re: shareholder concerns, update re: appraisal and indemnity required, various discussions with BDO team re: the same, etc.	2.5
H. Yin	14-Feb-24	Update call with C. Bourret; follow up with Counsel re: BMO security opinion; review previous week's bank activities and perform cash flow variance analysis; review and receive various emails from C. Wolf; correspondence with P. Naumis and C. Lonergan re: email update on the shareholder's concerns, draft re: same; correspondence with Cushman & Wakefield re: legal requirement for appraisal to be used in the SISP; receive and execute NDAs from the Sales Agent.	3.4
P. Naumis	14-Feb-24	Debrief with H. Yin re: shareholder call, findings, etc.; meeting with BDO team re: shareholders' interest in litigation asset, SISP update, etc.	0.7

Staff	Date	Comments	Hours
C. Lonergan	15-Feb-24	Review of communication from the shareholders, follow up with BDO team and Company re: shareholder concerns, SISP update, VW communication, and review of security opinion, etc.	2.8
H. Yin	15-Feb-24	Update meeting with C. Bourret; correspondence with C. Wolf re: accounting matters; review floor line repayment amount; correspondence with Enterprise re: recent payment; correspondence with D. Armstrong re: inventory report; review Second Report Receive and extract data, and perform reconciliation re: the same; review of email from Counsel re: BMO security opinion; draft email to VW Canada re: warranty claims and parts return; etc.	2.4
P. Naumis	15-Feb-24	Updates from H. Yin; updates from property appraiser; discussion with shareholder re: computer access and concerns raised yesterday; update on proposal process; etc.	1
C. Lonergan	16-Feb-24	Discussion with Bank re: next steps, security position and waterfall, discussion with BDO team re: the same, review of security position and finalizing, meeting with Sales Agent and BDO team re: SISP, review of VW correspondence, etc.	5
H. Yin	16-Feb-24	Meet with Sales Agent to discuss SISP updates; draft EOI and LOI explanation for potential purchasers; correspondence with Pinchin re: updated Phase I environmental assessment; correspondence with Sales Agent re: various potential buyer inquiries; correspondence with Volkswagen Canada re: warranty and parts buy back; correspondence with Cushman & Wakefield re: non-reliance letter for appraisal; correspondence with C. Lonergan re: security position analysis (ESR) for BMO; draft analysis re: same; correspondence with C. Lonergan re: finalizing security position analysis; etc.	5.3
P. Naumis	16-Feb-24	Admin update.	0.1
C. Lonergan	20-Feb-24	Review of Company motion materials, including notice of motion, and order, discussion with Counsels re: the same, etc.	0.8
P. Naumis	20-Feb-24	Review EOI received. Review, set up EOI summary tracking sheet; communication with the Sales Agent, etc.	0.7
C. Lonergan	21-Feb-24	Review and finalize Second Court Report, discussion with BDO team and Counsel re: the same, etc.	5
H. Yin	21-Feb-24	Correspondence with C. Lonergan re: Second Report; revise Second Report ; draft fee affidavit for the Second Report; prepare Second Report appendices; correspondence with Volkswagen Canada re: various matters related to parts buyback, warranty, etc.; correspondence with C. Bourret re: various matters; correspondence with C. Wolf re: accounting and treasury matters; receive email from the Company's counsel re: cash Flow, respond to same email; correspondence with Pinchin re: updated environmental appraisal; correspondence with Cushman & Wakefield re: draft of non-reliance letter; review previous week's cash activities and conduct Cash Flow variance analysis; etc.	5.2
C. Lonergan	22-Feb-24	Finalize Second Court Report, for counsel changes, review of appendices, discussion with BDO team and Counsel re: the same, various	4.2

Staff	Date	Comments	Hours
		correspondence and discussions with one of the shareholders and their counsel re: their concerns, etc.	
H. Yin	22-Feb-24	Update call with C. Bourret; correspondence with A. Mason re: ongoing warranty WO request for VW; call with D. Land re: status of items prior to his departure; draft email to potential purchaser and gather requested information; draft Third DIP Funding Request, etc.	0.8
P. Naumis	22-Feb-24	Review of Second Report and relief sought in the Company's motion; conference call with BDO and the shareholder's counsel re: questions, EOI and SISP deadlines, etc.	1.1
C. Lonergan	23-Feb-24	Discussion with the shareholders and counsel, discussion with Counsel and BDO team re: the same, discussion with Company re: WIP and accounting, software, prepare detailed email to shareholder re: their concerns over WIP and access, discussion with VW and BDO team re: SISP, discussion with potential purchaser re: SISP process, follow up on appraisal and environment assessments, etc.	4
H. Yin	23-Feb-24	Meeting with C. Lonergan and P. Naumis re: shareholder concerns and file status; correspondence with C. Bourret re: same matters; call with C. Wolf and C. Lonergan re: accounting system; correspondence with D. Armstrong re: WIP report from Serti; format data in Excel and conduct WIP movement analysis; etc.	1.9
P. Naumis	23-Feb-24	Administration update. Update and correspondence from Counsel re: shareholder's concerns; Call with C. Lonergan and H. Yin to discuss and clarify the same; etc.	1



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Toronto ON M5E 1C5 Canada

Strictly Private & Confidential

OEM Automotive Cornwall Inc.
c/o BDO Canada Limited
20 Wellington Street E, Suite 500
Toronto, ON M5E 1C5

Date	Invoice
February 27, 2024	CINV2761369

RE: OEM Automotive Cornwall Inc. - NOI

TO OUR FEE FOR PROFESSIONAL SERVICES rendered in connection with our engagement as Trustee in the above noted matter for the period January 20, 2024 to February 23, 2024 as per the details below.

Our Fee	\$ 15,189.00
HST - 13.00% (#R101518124)	1,974.57
TOTAL	\$ 17,163.57

Summary of Time Charges:

	Hours	Rate	Amount
C. Lonergan, Partner	9.4	735.00	6,909.00
P. Naumis, Sr. Manager	4.4	625.00	2,750.00
H. Yin, Analyst	14.0	395.00	5,530.00
Total	27.8		\$ 15,189.00

BANK WIRE TRANSFER/EFT PAYMENTS: Payment can be made online in Canadian funds. Please ensure you email your online payment confirmations including invoice #, amount paid and payment date) to EFTPayments@bdo.ca

The banking information for BDO Canada Limited is as follows for Canadian Funds

CIBC Main Branch
Commerce Court
199 Bay Street
Toronto, ON M5L 1G9
Account Name: BDO Canada Limited

Bank: Canadian Imperial Bank of Commerce
Bank Institution #: 010
Transit #: 00002
Account #: 91-26910
Swift Reference #: CIBCCATT

Staff	Date	Comments	Hours
C. Lonergan	22-Jan-24	Sales process - follow up with Sales Agent re: appraisals, review and comment on appraiser engagement letter, discussion with BDO team and Counsel re: the same; follow up with Sales Agent on purchaser list and teaser, review of correspondence re: BMO security position, etc.	0.3
H. Yin	22-Jan-24	Receive and review various emails from Sales Agent re: SISP; review various emails from the Company; update meeting with P. Naumis and C. Bourret; Correspondence with J. Raymond and E. Demeules re: SISP teaser, inquiry list, etc.; correspondence with C. Wolf re various treasury matters; prepare Cash Flow variance analysis for previous week; correspondence with M. Paquette re: Weekly Sales, upcoming loan payments, etc.	1
P. Naumis	22-Jan-24	Update call with C. Bourret; update and review critical supplier list, cash flow, priority, etc.; review status of due diligence materials and virtual data room; update on property appraisals; review updated financial information and projections; discussions with BDO team re: cash flow variances, estimated cash position for payroll and approved disbursements; discussion re: reconciling the Enterprise account and VW warranty reimbursements, etc.	0.3
C. Lonergan	23-Jan-24	SISP update, review of NDA and purchasers' listings, DIP update and letter request of BMO review re: the same, follow up with BMO and counsel re: DIP, follow-up with VW prefiling discussion and correspondence with Counsel re: the same, etc.	0.3
H. Yin	23-Jan-24	Update meeting with the Company; correspondence with M. Paquette re: various vehicle sales matters; correspondence with D. Land re: treasury, review Cash Flow reconciliation; meeting with Sales Agent re: SISP, teaser document, etc.; draft email to the Company re: due diligence checklist; draft DIP funding first advance request for C. Bourret's approval; review email received from D. Poirier re: pre-filing payments made on corporate credit card; correspondence with S. Upson from Cushman & Wakefield to set up site visit, etc.	0.5
P. Naumis	23-Jan-24	Update call with C. Bourret re: weekly cheque run, pre-filing concerns, etc.; call and update with Sales Agent re: status of due diligence, buyer's list, etc.; additional due diligence information requirements, timing, etc.; update and review monitoring and variance analysis; update on potential critical vendor identified by the Company, etc.	0.4
C. Lonergan	24-Jan-24	SISP update - discussion with potential purchasers; VW update re: the same, VW pre-filing correspondence and discussion with BDO team and Counsel re: the same;; review of BMO security position and discussion with BDO team and Counsel re; the same, etc.	0.3
H. Yin	24-Jan-24	Receive and review opinion letter from Counsel re: BMO security position and discussion with C. Lonergan re: same; correspondence with vendors re: current situation; meeting with Counsel re: Volkswagen pre-filing payments, draft email re same for C. Lonergan's review; review buyer's list from Sales Agent, etc.	0.4

Staff	Date	Comments	Hours
P. Naumis	24-Jan-24	Update call with C. Bourret re: due diligence materials, etc.; review updated due diligence materials, etc.	0.1
C. Lonergan	25-Jan-24	Review of cash flow and cash position with BDO team, critical vendors analysis and discussion with Company and their counsel re: the same, discussion with Interim Lender re: cash position update, SISP update and next steps, etc.	0.3
H. Yin	25-Jan-24	Email to Sales Agent re: additions to buyer's list; correspondence with vendors; follow up re: teaser document from Sales Agent and call re: the same. Call with P. Naumis re: appraisal update, etc.	0.4
P. Naumis	25-Jan-24	Call with H. Yin re appraisal update.	0.1
C. Lonergan	26-Jan-24	SISP - Teaser and CIM review, finalize with the Sales Agent, review of buyers list, APA sample review, discussion with the BDO team and Counsel re: the same; call with VW re: pre-filing obligations and go-forward plan, etc.	0.9
H. Yin	26-Jan-24	Correspondence with P. Naumis re: vendor issues; correspondence with various vendors re: same; meeting with Sales Agent re: teaser document and CIM for SISP; update meeting with C. Bourret; review buyer's list from Volkswagen; correspondence with C. Lonergan re: CIM, review and suggest changes re same; correspondence with D. Land re: various accounting matters; correspondence with Counsel re: SISP documents, CIM disclaimer, etc.; meeting with Volkswagen Canada re pre-filing payments and go-forward plan; etc.	1
P. Naumis	26-Jan-24	Call with Sales Agent re: teaser, CIM and January 29 live date; update and comment on draft material; call with C. Bourret re: update on SISP; update on concern over pre-filing creditors, confirmation of invoices, parts on hold, and contact person; call with VW re: pre-filing amounts taken from account, workout to refund or credit against future parts orders, SISP process, potential purchaser vetting franchise law re: 14 calendar day cooling off period, etc.; review working draft CIM and add comments, etc.	0.6
C. Lonergan	29-Jan-24	Review of CIM and SISP update, cash flow update and discussion with BDO team re: the same, update correspondence to Bank and Counsels re: VW update, etc.	0.3
H. Yin	29-Jan-24	Update call with C. Bourret; correspondence with vendors; correspondence with Sales Agent re finalized teaser and last minute changes; review of draft marketing materials; meeting with C. Wolf and D. Land re: various accounting matters; review previous week's bank activities; call with C. Lonergan re: next steps, etc.	0.6
P. Naumis	29-Jan-24	Call and update with C. Bourret.	0.1
C. Lonergan	30-Jan-24	EOI update, review various other SISP documents, and review of the cash flow variances, etc.	0.1
H. Yin	30-Jan-24	Review DSMA's EOI and LOI template, draft EOI bid sheet for C. Lonergan to review; Review APA from V. DaRe; Draft email to C. Bourret re action items for BDO; Review and finalize DSMA's CIM for	0.7

Staff	Date	Comments	Hours
		Sale Process; Email to BMO re various matters; Conduct weekly variance analysis for Cash Flow forecast; etc.	
C. Lonergan	31-Jan-24	Planning update, review of APA, critical vendor update, SISP update with the Sales Agent, discussion with BDO team re: update, etc.	0.2
H. Yin	31-Jan-24	Correspondence with C. Wolf re: accounting matters; update meeting with C. Bourret; correspondence with vendors; review latest inquiries sent to GBA Accounting; correspondence with Sales Agent re: CIM and Teaser; draft Process Letter for C. Lonergan's review; correspondence with P. Naumis and C. Lonergan re: updates and next steps; etc.	0.9
P. Naumis	31-Jan-24	Update with C. Bourret; review of SISP marketing materials, comment and update; interested party query; various other SISP updates, etc.	0.5
H. Yin	01-Feb-24	Correspondence with vendors; correspondence with D. Armstrong re: vendor return; draft email to Volkswagen to reconcile Pre-Filing finalize amounts; correspondence with C. Wolf re: various accounting matters; review latest 2022 FS inquiries; update data room with new information for due diligence, etc.	0.6
P. Naumis	01-Feb-24	Review and discuss follow ups from interested party.	0.1
C. Lonergan	02-Feb-24	SISP update, discussion with Sales Agent, call with potential purchaser, review of cash flows and professional invoices, etc.	0.2
H. Yin	02-Feb-24	Correspondence with C. Bourret re updates; correspondence with P. Naumis re: vendor issues; correspondence with various vendors; review and execute NDAs received from the Sales Agent, etc.	0.3
P. Naumis	02-Feb-24	Various correspondence to and from counsel for OEM re: pre-filing creditors payment urgency, etc.; correspondence with Counsel re: ability to pay, etc.; issues with Enterprise, account cut-off, customer issues, etc.	0.4
H. Yin	05-Feb-24	Update call with C. Bourret; Call with the Sales Agent re: SISP and access to Virtual Data Room, etc.	0.2
P. Naumis	05-Feb-24	Status updates re: pre-filing creditors - Enterprise and UAP.	0
C. Lonergan	06-Feb-24	APA review, update on Sales Process letter, cash flow monitoring per DIP agreement, review of Sales Agent Update, etc.	0.8
H. Yin	06-Feb-24	Weekly Cash Flow variance analysis; perform January monthly cash reconciliation; draft update to BMO; update meeting with C. Bourret; correspondence with vendors; review emails received from the Company; correspondence with D. Land re: banking activities; correspondence with M. Paquette re: vehicle sales; etc.	0.8
P. Naumis	06-Feb-24	Update meeting with C. Bourret on Enterprise Car Rental issues and administration; assess loaner cars, VW payments, cash flow monitoring findings, etc.	0

Staff	Date	Comments	Hours
H. Yin	07-Feb-24	Update call with C. Bourret; correspondence with P. Naumis re: various matters related to vendors, cash flow, etc; correspondence with C. Lonergan re: inventory count, Second Court Report, etc.; correspondence with M. Paquette re: vehicles sales; correspondence with C. Wolf re: accounting and treasury matters; correspondence with G. Macdonell re: VTB loan; correspondence with D. Armstrong re: upcoming inventory count procedures; meeting with Sales Agent re: SISP updates; etc.	1
P. Naumis	07-Feb-24	Update call with BDO team, etc.	0.1
H. Yin	08-Feb-24	Draft DIP second advance letter and send to BMO; correspondence with A. Mason re: warranty claims and draft email to Volkswagen re: same; review various email received from C. Wolf; finalize process letter for virtual data room and send to Sales Agent to circulate; correspondence with P. Naumis re: vendor payments and purchase price allocation form draft; etc.	0.4
P. Naumis	08-Feb-24	Update call with H. Yin re vendor payments and EOI bid sheet.	0.1
P. Naumis	09-Feb-24	Review, comment on draft purchase price allocation schedule; correspondence to and from the shareholders, etc.	0.1
H. Yin	12-Feb-24	Update call with C. Bourret; meeting with VW Accounts Payables team re terms going forward and pre-filing payment treatment; call with C. Wolf and D. Poirier re: AP items; correspondence with the Sales Agent re: SISP; etc.	0.2
P. Naumis	12-Feb-24	Update and discussion with H. Yin re: SISP update, interested party comments, Draft Second Report, etc.; discuss CEBA notice in personal name of C. Bourret; review draft appraisal; etc.	0.2
C. Lonergan	13-Feb-24	Review of shareholder communication, update on appraisal, SISP update, action items update with BDO team, WIP discussion, etc.	0.4
H. Yin	13-Feb-24	Update call with C. Bourret; meeting with the shareholders re: concerns raised, SISP, etc.; meeting with BDO team re: the same; draft email update re: matters discussed with the shareholders; finalize EOI purchase price allocation sheet and send to the Sales Agent; correspondence with Cushman & Wakefield re: appraisal draft report changes; review email received from M. Paquette re: sales department related disbursements; drafting the Second Report; etc.	1
P. Naumis	13-Feb-24	Call with the shareholders re: concerns raised, SISP, offer process, etc.; receive and review various information from the shareholders; communicate concerns with stakeholders; call with counsel for the shareholders, debrief on discussions and moving forward; etc.	0.6
C. Lonergan	14-Feb-24	Update email for the Company, Bank and counsels re: shareholder concerns, update re: appraisal and indemnity required, various discussions with BDO team re: the same, etc.	0.5
H. Yin	14-Feb-24	Update call with C. Bourret; follow up with Counsel re: BMO security opinion; review previous week's bank activities and	0.7

Staff	Date	Comments	Hours
		perform cash flow variance analysis; review and receive various emails from C. Wolf; correspondence with P. Naumis and C. Lonergan re: email update on the shareholder's concerns, draft re: same; correspondence with Cushman & Wakefield re: legal requirement for appraisal to be used in the SISP; receive and execute NDAs from the Sales Agent.	
P. Naumis	14-Feb-24	Debrief with H. Yin re: shareholder call, findings, etc.; meeting with BDO team re: shareholders' interest in litigation asset, SISP update, etc.	0.1
C. Lonergan	15-Feb-24	Review of communication from the shareholders, follow up with BDO team and Company re: shareholder concerns, SISP update, VW communication, and review of security opinion, etc.	0.6
H. Yin	15-Feb-24	Update meeting with C. Bourret; correspondence with C. Wolf re: accounting matters; review floor line repayment amount; correspondence with Enterprise re: recent payment; correspondence with D. Armstrong re: inventory report; review Second Report Receive and extract data, and perform reconciliation re: the same; review of email from Counsel re: BMO security opinion; draft email to VW Canada re: warranty claims and parts return; etc.	0.6
P. Naumis	15-Feb-24	Updates from H. Yin; updates from property appraiser; discussion with shareholder re: computer access and concerns raised yesterday; update on proposal process; etc.	0.1
C. Lonergan	16-Feb-24	Discussion with Bank re: next steps, security position and waterfall, discussion with BDO team re: the same, review of security position and finalizing, meeting with Sales Agent and BDO team re: SISP, review of VW correspondence, etc.	1.1
H. Yin	16-Feb-24	Meet with Sales Agent to discuss SISP updates; draft EOI and LOI explanation for potential purchasers; correspondence with Pinchin re: updated Phase I environmental assessment; correspondence with Sales Agent re: various potential buyer inquiries; correspondence with Volkswagen Canada re: warranty and parts buy back; correspondence with Cushman & Wakefield re: non-reliance letter for appraisal; correspondence with C. Lonergan re: security position analysis (ESR) for BMO; draft analysis re: same; correspondence with C. Lonergan re: finalizing security position analysis; etc.	1.2
P. Naumis	16-Feb-24	Admin update.	0.1
C. Lonergan	20-Feb-24	Review of Company motion materials, including notice of motion, and order, discussion with Counsels re: the same, etc.	0.2
P. Naumis	20-Feb-24	Review EOI received. Review, set up EOI summary tracking sheet; communication with the Sales Agent, etc.	0.1
C. Lonergan	21-Feb-24	Review and finalize Second Court Report, discussion with BDO team and Counsel re: the same, etc.	1.1

Staff	Date	Comments	Hours
H. Yin	21-Feb-24	Correspondence with C. Lonergan re: Second Report; revise Second Report ; draft fee affidavit for the Second Report; prepare Second Report appendices; correspondence with Volkswagen Canada re: various matters related to parts buyback, warranty, etc.; correspondence with C. Bourret re: various matters; correspondence with C. Wolf re: accounting and treasury matters; receive email from the Company's counsel re: cash Flow, respond to same email; correspondence with Pinchin re: updated environmental appraisal; correspondence with Cushman & Wakefield re: draft of non-reliance letter; review previous week's cash activities and conduct Cash Flow variance analysis; etc.	1
C. Lonergan	22-Feb-24	Finalize Second Court Report, for counsel changes, review of appendices, discussion with BDO team and Counsel re: the same, various correspondence and discussions with one of the shareholders and their counsel re: their concerns, etc.	0.9
H. Yin	22-Feb-24	Update call with C. Bourret; correspondence with A. Mason re: ongoing warranty WO request for VW; call with D. Land re: status of items prior to his departure; draft email to potential purchaser and gather requested information; draft Third DIP Funding Request, etc.	0.2
P. Naumis	22-Feb-24	Review of Second Report and relief sought in the Company's motion; conference call with BDO and the shareholder's counsel re: questions, EOI and SISP deadlines, etc.	0.2
C. Lonergan	23-Feb-24	Discussion with the shareholders and counsel, discussion with Counsel and BDO team re: the same, discussion with Company re: WIP and accounting, software, prepare detailed email to shareholder re: their concerns over WIP and access, discussion with VW and BDO team re: SISP, discussion with potential purchaser re: SISP process, follow up on appraisal and environment assessments, etc.	0.9
H. Yin	23-Feb-24	Meeting with C. Lonergan and P. Naumis re: shareholder concerns and file status; correspondence with C. Bourret re: same matters; call with C. Wolf and C. Lonergan re: accounting system; correspondence with D. Armstrong re: WIP report from Serti; format data in Excel and conduct WIP movement analysis; etc.	0.3
P. Naumis	23-Feb-24	Administration update. Update and correspondence from Counsel re: shareholder's concerns; Call with C. Lonergan and H. Yin to discuss and clarify the same; etc.	0.1
			27.8



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Fax: 416 865 0904
www.bdo.ca

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20 Wellington Street E, Suite 500
Toronto ON M5E 1C5 Canada

Strictly Private & Confidential

OEM Automotive Holdings Inc.
c/o BDO Canada Limited
20 Wellington Street E, Suite 500
Toronto, ON M5E 1C5

Date	Invoice
February 27, 2024	CINV2761372

RE: OEM Automotive Holdings Inc. - NOI

TO OUR FEE FOR PROFESSIONAL SERVICES rendered in connection with our engagement as Trustee in the above noted matter for the period January 20, 2024 to February 23, 2024 as per the details below.

Our Fee	\$ 15,189.00
HST - 13.00% (#R101518124)	1,974.57
TOTAL	\$ 17,163.57

Summary of Time Charges:

	Hours	Rate	Amount
C. Lonergan, Partner	9.4	735.00	6,909.00
P. Naumis, Sr. Manager	4.4	625.00	2,750.00
H. Yin, Analyst	14.0	395.00	5,530.00
Total	27.8		\$ 15,189.00

BANK WIRE TRANSFER/EFT PAYMENTS: Payment can be made online in Canadian funds. Please ensure you email your online payment confirmations including invoice #, amount paid and payment date) to EFTPayments@bdo.ca

The banking information for BDO Canada Limited is as follows for Canadian Funds

CIBC Main Branch
Commerce Court
199 Bay Street
Toronto, ON M5L 1G9
Account Name: BDO Canada Limited

Bank: Canadian Imperial Bank of Commerce
Bank Institution #: 010
Transit #: 00002
Account #: 91-26910
Swift Reference #: CIBCCATT

Staff	Date	Comments	Hours
C. Lonergan	22-Jan-24	Sales process - follow up with Sales Agent re: appraisals, review and comment on appraiser engagement letter, discussion with BDO team and Counsel re: the same; follow up with Sales Agent on purchaser list and teaser, review of correspondence re: BMO security position, etc.	0.3
H. Yin	22-Jan-24	Receive and review various emails from Sales Agent re: SISP; review various emails from the Company; update meeting with P. Naumis and C. Bourret; Correspondence with J. Raymond and E. Demeules re: SISP teaser, inquiry list, etc.; correspondence with C. Wolf re various treasury matters; prepare Cash Flow variance analysis for previous week; correspondence with M. Paquette re: Weekly Sales, upcoming loan payments, etc.	1
P. Naumis	22-Jan-24	Update call with C. Bourret; update and review critical supplier list, cash flow, priority, etc.; review status of due diligence materials and virtual data room; update on property appraisals; review updated financial information and projections; discussions with BDO team re: cash flow variances, estimated cash position for payroll and approved disbursements; discussion re: reconciling the Enterprise account and VW warranty reimbursements, etc.	0.3
C. Lonergan	23-Jan-24	SISP update, review of NDA and purchaser listings, DIP update and letter request of BMO review re: the same, follow up with BMO and counsel re: DIP, follow-up with VW pre-filing discussion and correspondence with Counsel re: the same, etc.	0.3
H. Yin	23-Jan-24	Update meeting with the Company; correspondence with M. Paquette re: various vehicle sales matters; correspondence with D. Land re: treasury, review Cash Flow reconciliation; meeting with Sales Agent re: SISP, teaser document, etc.; draft email to the Company re: due diligence checklist; draft DIP funding first advance request for C. Bourret's approval; review email received from D. Poirier re: pre-filing payments made on corporate credit card; correspondence with S. Upson from Cushman & Wakefield to set up site visit, etc.	0.5
P. Naumis	23-Jan-24	Update call with C. Bourret re: weekly cheque run, pre-filing concerns, etc.; call and update with Sales Agent re: status of due diligence, buyer's list, etc.; additional due diligence information requirements, timing, etc.; update and review monitoring and variance analysis; update on potential critical vendor identified by the Company, etc.	0.4
C. Lonergan	24-Jan-24	SISP update - discussion with potential purchasers; VW update re: the same, VW pre-filing correspondence and discussion with BDO team and Counsel re: the same; review of BMO security position and discussion with BDO team and Counsel re: the same, etc.	0.3
H. Yin	24-Jan-24	Receive and review opinion letter from Counsel re: BMO security position and discussion with C. Lonergan re: same; correspondence with vendors re: current situation; meeting with Counsel re: Volkswagen pre-filing payments, draft email re same for C. Lonergan's review; review buyer's list from Sales Agent, etc.	0.4
P. Naumis	24-Jan-24	Update call with C. Bourret re: due diligence materials, etc; review updated due diligence materials, etc.	0.1

Staff	Date	Comments	Hours
C. Lonergan	25-Jan-24	Review of cash flow and cash position with BDO team, critical vendors analysis and discussion with Company and their counsel re: the same, discussion with Interim Lender re: cash position update, SISP update and next steps, etc.	0.3
H. Yin	25-Jan-24	Email to Sales Agent re: additions to buyer's list; correspondence with vendors; follow up re: teaser document from Sales Agent and call re: the same. Call with P. Naumis re: appraisal update, etc.	0.4
P. Naumis	25-Jan-24	Call with H. Yin re appraisal update.	0.1
C. Lonergan	26-Jan-24	SISP - Teaser and CIM review, finalize with the Sales Agent, review of buyers list, APA sample review, discussion with the BDO team and Counsel re: the same; call with VW re: pre-filing obligations and go-forward plan, etc.	0.9
H. Yin	26-Jan-24	Correspondence with P. Naumis re: vendor issues; correspondence with various vendors re: same; meeting with Sales Agent re: teaser document and CIM for SISP; update meeting with C. Bourret; review buyer's list from Volkswagen; correspondence with C. Lonergan re: CIM, review and suggest changes re same; correspondence with D. Land re: various accounting matters; correspondence with Counsel re: SISP documents, CIM disclaimer, etc.; meeting with Volkswagen Canada re pre-filing payments and go-forward plan; etc.	1
P. Naumis	26-Jan-24	Call with Sales Agent re: teaser, CIM and January 29 live date; update and comment on draft material; call with C. Bourret re: update on SISP; update on concern over pre-filing creditors, confirmation of invoices, parts on hold, and contact person; call with VW re: pre-filing amounts taken from account, workout to refund or credit against future parts orders, SISP process, potential purchaser vetting franchise law re: 14 calendar day cooling off period, etc.; review working draft CIM and add comments, etc.	0.6
C. Lonergan	29-Jan-24	Review of CIM and SISP update, cash flow update and discussion with BDO team re: the same, update correspondence to Bank and Counsels re: VW update, etc.	0.3
H. Yin	29-Jan-24	Update call with C. Bourret; correspondence with vendors; correspondence with Sales Agent re finalized teaser and last-minute changes; review of draft marketing materials; meeting with C. Wolf and D. Land re: various accounting matters; review previous week's bank activities; call with C. Lonergan re: next steps, etc.	0.6
P. Naumis	29-Jan-24	Call and update with C. Bourret.	0.1
C. Lonergan	30-Jan-24	EOI update, review various other SISP documents, and review of the cash flow variances, etc.	0.1
H. Yin	30-Jan-24	Review DSMA's EOI and LOI template, draft EOI bid sheet for C. Lonergan to review; Review APA from V. DaRe; Draft email to C. Bourret re action items for BDO; Review and finalize DSMA's CIM for Sale Process; Email to BMO re various matters; Conduct weekly variance analysis for Cash Flow forecast; etc.	0.7

Staff	Date	Comments	Hours
C. Lonergan	31-Jan-24	Planning update, review of APA, critical vendor update, SISP update with the Sales Agent, discussion with BDO team re: update, etc.	0.2
H. Yin	31-Jan-24	Correspondence with C. Wolf re: accounting matters; update meeting with C. Bourret; correspondence with vendors; review latest inquiries sent to GBA Accounting; correspondence with Sales Agent re: CIM and Teaser; draft Process Letter for C. Lonergan's review; correspondence with P. Naumis and C. Lonergan re: updates and next steps; etc.	0.9
P. Naumis	31-Jan-24	Update with C. Bourret; review of SISP marketing materials, comment and update; interested party query; various other SISP updates, etc.	0.5
H. Yin	01-Feb-24	Correspondence with vendors; correspondence with D. Armstrong re: vendor return; draft email to Volkswagen to reconcile Pre-Filing finalize amounts; correspondence with C. Wolf re: various accounting matters; review latest 2022 FS inquiries; update data room with new information for due diligence, etc.	0.6
P. Naumis	01-Feb-24	Review and discuss follow ups from interested party.	0.1
C. Lonergan	02-Feb-24	SISP update, discussion with Sales Agent, call with potential purchaser, review of cash flows and professional invoices, etc.	0.2
H. Yin	02-Feb-24	Correspondence with C. Bourret re updates; correspondence with P. Naumis re: vendor issues; correspondence with various vendors; review and execute NDAs received from the Sales Agent, etc.	0.3
P. Naumis	02-Feb-24	Various correspondence to and from counsel for OEM re: pre-filing creditors payment urgency, etc.; correspondence with Counsel re: ability to pay, etc.; issues with Enterprise, account cut-off, customer issues, etc.	0.4
H. Yin	05-Feb-24	Update call with C. Bourret; Call with the Sales Agent re: SISP and access to Virtual Data Room, etc.	0.2
P. Naumis	05-Feb-24	Status updates re: pre-filing creditors - Enterprise and UAP.	0
C. Lonergan	06-Feb-24	APA review, update on Sales Process letter, cash flow monitoring per DIP agreement, review of Sales Agent Update, etc.	0.8
H. Yin	06-Feb-24	Weekly Cash Flow variance analysis; perform January monthly cash reconciliation; draft update to BMO; update meeting with C. Bourret; correspondence with vendors; review emails received from the Company; correspondence with D. Land re: banking activities; correspondence with M. Paquette re: vehicle sales; etc.	0.8
P. Naumis	06-Feb-24	Update meeting with C. Bourret on Enterprise Car Rental issues and administration; assess loaner cars, VW payments, cash flow monitoring findings, etc.	0
H. Yin	07-Feb-24	Update call with C. Bourret; correspondence with P. Naumis re: various matters related to vendors, cash flow, etc; correspondence with C. Lonergan re: inventory count, Second Court Report, etc.; correspondence with M. Paquette re: vehicles sales; correspondence with C. Wolf re: accounting and treasury matters; correspondence with G. Macdonell re: VTB loan; correspondence with D. Armstrong re:	1

Staff	Date	Comments	Hours
		upcoming inventory count procedures; meeting with Sales Agent re: SISP updates; etc.	
P. Naumis	07-Feb-24	Update call with BDO team, etc.	0.1
H. Yin	08-Feb-24	Draft DIP second advance letter and send to BMO; correspondence with A. Mason re: warranty claims and draft email to Volkswagen re: same; review various email received from C. Wolf; finalize process letter for virtual data room and send to Sales Agent to circulate; correspondence with P. Naumis re: vendor payments and purchase price allocation form draft; etc.	0.4
P. Naumis	08-Feb-24	Update call with H. Yin re vendor payments and EOI bid sheet.	0.1
P. Naumis	09-Feb-24	Review, comment on draft purchase price allocation schedule; correspondence to and from the shareholders, etc.	0.1
H. Yin	12-Feb-24	Update call with C. Bourret; meeting with VW Accounts Payables team re terms going forward and pre-filing payment treatment; call with C. Wolf and D. Poirier re: AP items; correspondence with the Sales Agent re: SISP; etc.	0.2
P. Naumis	12-Feb-24	Update and discussion with H. Yin re: SISP update, interested party comments, Draft Second Report, etc.; discuss CEBA notice in personal name of C. Bourret; review draft appraisal; etc.	0.2
C. Lonergan	13-Feb-24	Review of shareholder communication, update on appraisal, SISP update, action items update with BDO team, WIP discussion, etc.	0.4
H. Yin	13-Feb-24	Update call with C. Bourret; meeting with the shareholders re: concerns raised, SISP, etc.; meeting with BDO team re: the same; draft email update re: matters discussed with the shareholders; finalize EOI purchase price allocation sheet and send to the Sales Agent; correspondence with Cushman & Wakefield re: appraisal draft report changes; review email received from M. Paquette re: sales department related disbursements; drafting the Second Report; etc.	1
P. Naumis	13-Feb-24	Call with the shareholders re: concerns raised, SISP, offer process, etc.; receive and review various information from the shareholders; communicate concerns with stakeholders; call with counsel for the shareholders, debrief on discussions and moving forward; etc.	0.6
C. Lonergan	14-Feb-24	Update email for the Company, Bank and counsels re: shareholder concerns, update re: appraisal and indemnity required, various discussions with BDO team re: the same, etc.	0.5
H. Yin	14-Feb-24	Update call with C. Bourret; follow up with Counsel re: BMO security opinion; review previous week's bank activities and perform cash flow variance analysis; review and receive various emails from C. Wolf; correspondence with P. Naumis and C. Lonergan re: email update on the shareholder's concerns, draft re: same; correspondence with Cushman & Wakefield re: legal requirement for appraisal to be used in the SISP; receive and execute NDAs from the Sales Agent.	0.7
P. Naumis	14-Feb-24	Debrief with H. Yin re: shareholder call, findings, etc.; meeting with BDO team re: shareholders' interest in litigation asset, SISP update, etc.	0.1

Staff	Date	Comments	Hours
C. Lonergan	15-Feb-24	Review of communication from the shareholders, follow up with BDO team and Company re: shareholder concerns, SISP update, VW communication, and review of security opinion, etc.	0.6
H. Yin	15-Feb-24	Update meeting with C. Bourret; correspondence with C. Wolf re: accounting matters; review floor line repayment amount; correspondence with Enterprise re: recent payment; correspondence with D. Armstrong re: inventory report; review Second Report Receive and extract data, and perform reconciliation re: the same; review of email from Counsel re: BMO security opinion; draft email to VW Canada re: warranty claims and parts return; etc.	0.6
P. Naumis	15-Feb-24	Updates from H. Yin; updates from property appraiser; discussion with shareholder re: computer access and concerns raised yesterday; update on proposal process; etc.	0.1
C. Lonergan	16-Feb-24	Discussion with Bank re: next steps, security position and waterfall, discussion with BDO team re: the same, review of security position and finalizing, meeting with Sales Agent and BDO team re: SISP, review of VW correspondence, etc.	1.1
H. Yin	16-Feb-24	Meet with Sales Agent to discuss SISP updates; draft EOI and LOI explanation for potential purchasers; correspondence with Pinchin re: updated Phase I environmental assessment; correspondence with Sales Agent re: various potential buyer inquiries; correspondence with Volkswagen Canada re: warranty and parts buy back; correspondence with Cushman & Wakefield re: non-reliance letter for appraisal; correspondence with C. Lonergan re: security position analysis (ESR) for BMO; draft analysis re: same; correspondence with C. Lonergan re: finalizing security position analysis; etc.	1.2
P. Naumis	16-Feb-24	Admin update.	0.1
C. Lonergan	20-Feb-24	Review of Company motion materials, including notice of motion, and order, discussion with Counsels re: the same, etc.	0.2
P. Naumis	20-Feb-24	Review EOI received. Review, set up EOI summary tracking sheet; communication with the Sales Agent, etc.	0.1
C. Lonergan	21-Feb-24	Review and finalize Second Court Report, discussion with BDO team and Counsel re: the same, etc.	1.1
H. Yin	21-Feb-24	Correspondence with C. Lonergan re: Second Report; revise Second Report ; draft fee affidavit for the Second Report; prepare Second Report appendices; correspondence with Volkswagen Canada re: various matters related to parts buyback, warranty, etc.; correspondence with C. Bourret re: various matters; correspondence with C. Wolf re: accounting and treasury matters; receive email from the Company's counsel re: cash Flow, respond to same email; correspondence with Pinchin re: updated environmental appraisal; correspondence with Cushman & Wakefield re: draft of non-reliance letter; review previous week's cash activities and conduct Cash Flow variance analysis; etc.	1
C. Lonergan	22-Feb-24	Finalize Second Court Report, for counsel changes, review of appendices, discussion with BDO team and Counsel re: the same,	0.9

Staff	Date	Comments	Hours
		various correspondence and discussions with one of the shareholders and their counsel re: their concerns, etc.	
H. Yin	22-Feb-24	Update call with C. Bourret; correspondence with A. Mason re: ongoing warranty WO request for VW; call with D. Land re: status of items prior to his departure; draft email to potential purchaser and gather requested information; draft Third DIP Funding Request, etc.	0.2
P. Naumis	22-Feb-24	Review of Second Report and relief sought in the Company's motion; conference call with BDO and the shareholder's counsel re: questions, EOI and SISP deadlines, etc.	0.2
C. Lonergan	23-Feb-24	Discussion with the shareholders and counsel, discussion with Counsel and BDO team re: the same, discussion with Company re: WIP and accounting, software, prepare detailed email to shareholder re: their concerns over WIP and access, discussion with VW and BDO team re: SISP, discussion with potential purchaser re: SISP process, follow up on appraisal and environment assessments, etc.	0.9
H. Yin	23-Feb-24	Meeting with C. Lonergan and P. Naumis re: shareholder concerns and file status; correspondence with C. Bourret re: same matters; call with C. Wolf and C. Lonergan re: accounting system; correspondence with D. Armstrong re: WIP report from Serti; format data in Excel and conduct WIP movement analysis; etc.	0.3
P. Naumis	23-Feb-24	Administration update. Update and correspondence from Counsel re: shareholder's concerns; Call with C. Lonergan and H. Yin to discuss and clarify the same; etc.	0.1



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Strictly Private & Confidential

OEM Solutions Inc
 c/o BDO Canada Limited
 20 Wellington Street E, Suite 500
 Toronto, ON M5E 1C5

Date	Invoice
March 26, 2024	CINV2778522

RE: OEM Automotive Solutions - NOI

TO OUR FEE FOR PROFESSIONAL SERVICES rendered in connection with our engagement as Trustee in the above noted matter for the period February 24, 2024 to March 22, 2024 as per the details below.

Our Fee	\$ 55,562.00
HST - 13.00% (#R101518124)	7,223.06
TOTAL	<u>\$ 62,785.06</u>

Summary of Time Charges:

	Hours	Rate	Amount
C. Lonergan, Partner	47.5	735.00	34,912.50
P. Naumis, Sr. Manager	5.8	625.00	3,625.00
H. Yin, Analyst	43.1	395.00	17,024.50
Total	<u>96.4</u>		<u>\$ 55,562.00</u>

BANK WIRE TRANSFER/EFT PAYMENTS: Payment can be made online in Canadian funds. Please ensure you email your online payment confirmations including invoice #, amount paid and payment date) to EFTPayments@bdo.ca

The banking information for BDO Canada Limited is as follows for Canadian Funds

CIBC Main Branch
 Commerce Court
 199 Bay Street
 Toronto, ON M5L 1G9
 Account Name: BDO Canada Limited

Bank: Canadian Imperial Bank of Commerce
 Bank Institution #: 010
 Transit #: 00002
 Account #: 91-26910
 Swift Reference #: CIBCCATT

Staff	Date	Comments	Hours
H. Yin	26-Feb-24	Correspondence with Cushman & Wakefield re appraisal non reliance letter, correspondence with V. DaRe re same; Gather information and draft Sale Process EOI email to send to potential purchasers; Correspondence with C. Wolf re accounting matters, etc.; Meeting with DSMA re Sales Process; Correspondence with Pinchin and St. Lawrence Testing re environmental assessment, discussion with P. Naumis re same.	1.9
P. Naumis	26-Feb-24	Discussion with H. Yin re: environmental assessment and current status. Receive and review environmental assessment reports and monitoring reports. Review for recommendations. Follow up on recommendations if completed by OEM. Call with Pinchin re: updated Phase I and groundwater testing. Call with DSMA.	1.5
C. Lonergan	27-Feb-24	Preparing for and attendance at Court for the extension hearing, multiple SISP update calls with potential purchaser, discussion with Sales Agent and BDO team re: the same, etc.	3.1
H. Yin	27-Feb-24	Meeting with potential purchaser re Sales Process; Meeting with potential purchaser re EOI submission and Sales Process; Meeting with potential purchaser re EOI submission and Sales Process; Correspondence with J. Raymond re various matters related to EOI and sales process; Meeting with GBA re status of 2022 financial review and steps going forward; Meeting with C. Bourret and M. Ayache re warranty claims; Correspondence with M. Ryan from Pinchin re issues raised on environmental Phase II, call with P. Naumis re same; Correspondence with V dare and B. Slaney from Cushman & Wakefield to finalize appraisal non-reliance letter; Perform cash reconciliation and cash flow variance analysis and professional fees analysis; Update BDO website for Cornwall VW; Correspondence with V. Dare re minority shareholders' security position; Email to S. Yakovenko re update on all outstanding payments and receipts from Volkswagen Canada.	4.7
P. Naumis	27-Feb-24	Update from Pinchin. Review proposal. Discussions with H. Yin and C. Lonergan re same. Call with Pinchin to delineate the scope of work, actions and proposed workout moving forward, etc.	0.7
C. Lonergan	28-Feb-24	Review of shareholder security documents, credit bid options, and correspondence re: the same, update to Company stakeholders re: shareholder bid, costs to date, SISP update and appraisal update/non-reliance letter review, various discussions with potential purchasers re: EOI, discussion with BDO team and Counsel re: the same, etc.	2.3
H. Yin	28-Feb-24	Meeting with C. Bourret and C. Wolf re various matters; Draft email update on Cornwall Volkswagen for stakeholders; Correspondence with vendors re Cornwall VW current situation; Correspondence with M. Ryan from Pinchin re environmental assessment and plan moving forward, update P. Naumis and C. Lonergan re same; Correspondence with various potential purchasers re sales process; Correspondence with V. DaRe re appraisal and VDR access for C. Bourret.	2.8

Staff	Date	Comments	Hours
P. Naumis	28-Feb-24	Discussions with H. Yin re: Pinchin ESA and groundwater testing.	0.4
C. Lonergan	29-Feb-24	Review of EOIs, update summary template, environmental update with BDO team, discussion with Company re: shareholder concern responses and accounting functions, cash flow update - VW payments, BMO curtailments, etc.	3.3
H. Yin	29-Feb-24	Correspondence with DSMA re EOIs received; Correspondence with potential purchasers re real estate appraisal; Correspondence with Pinchin, St. Lawrence Testing re environmental assessment plan, meeting with C. Lonergan and P. Naumis re same; Correspondence with D. Armstrong re various vendors; Receive and review all EOIs submitted, compile EOI information and prepare comparative analysis; Correspondence with C. Wolf re accounting matters, etc.; Meeting with C. Bourret and C. Lonergan; Call with C. Lonergan and P. Naumis re environmental issues, etc.	5.3
P. Naumis	29-Feb-24	Environmental updates. Update re: EOI deadline, shareholder concerns, DSMA. EOI receipts.	0.8
C. Lonergan	01-Mar-24	Review and update EOI summary, discussion with BDO team and Sales Agent re: the same, review of EOIs, update correspondence with BMO and VW re: the same, discussion with VW re: potential purchasers, environmental update, review of shareholder security review, etc.	4.2
H. Yin	01-Mar-24	Correspondence with J. Raymond re EOI summary, correspondence with C. Lonergan re feedback on summary; Prepare summary package for Volkswagen Canada.	0.8
P. Naumis	01-Mar-24	Review and assess EOIs received and EOI summary.	0.7
C. Lonergan	04-Mar-24	Review of EOI summary update, discussion with Sales Agent and BDO team re: the same, update call with Interim Lender and Counsel re: EOI summary and chosen LOI next round selections, update call with VW re: potential purchasers, review of Sales Agent time and invoices, review and drafting of responses to shareholders re: their concerns, review of critical vendor correspondence from Company Counsel, update with BDO team re: the same, etc.	4.7
H. Yin	04-Mar-24	Correspondence with V. DaRe re EOIs received; Correspondence with St. Lawrence Testing re reliance letter on groundwater sampling; Call with C. Lonergan and P. Naumis, meeting with BMO and Counsels re EOIs received, etc; Call with C. Bourret re various matters; Call with C. Wolf re various accounting matters; Gather support and draft email re shareholder concerns; Correspondence with P. Naumis re supplier concerns email to G. Phoenix; Call with J. Raymond re EOI Sale Process; Correspondence with various vendors; Correspondence with J. Wingrove from Volkswagen Canada re special parts return and warranty claims status;	3.1
P. Naumis	04-Mar-24	Update call with C. Lonergan and H. Yin re: EOIs, assessment, etc. Call with DSMA re: EOI's received. Conference call with BMO, counsel, DSMA and Proposal Trustee to discuss EOI's received, summary of candidates and offers, and identified interested parties to invite back to binding LOI stage.	0.9

Staff	Date	Comments	Hours
C. Lonergan	05-Mar-24	Drafting APA, review of shareholder correspondence re: their concerns, review of VW correspondence re: the same, SISP update to the potential purchasers, update with shareholder counsel re: next steps, APA and access to data-room, update call with Company re: vehicles, etc.	3.2
H. Yin	05-Mar-24	Correspondence with St. Lawrence Testing re quote on updated groundwater sampling; Correspondence with Pinchin on proposal for remediation plan; Correspondence with M. Paquette re various matters; Review previous week bank statement transactions and conduct variance analysis; Draft email to BMO on monthly cash flow reporting; Correspondence with C. Lonergan re email communication to notify successful parties to participate in the next step, send out emails re same; Correspondence with J. Wingrove re parts return, etc.	3
P. Naumis	05-Mar-24	Various emails re: LOI invitees, ESA, APS, correspondence and queries from counsel for C. Bourret and invitees. Correspondence to invitee query.	0.7
C. Lonergan	06-Mar-24	Drafting of APA, update to Interim Lender re: variance reporting, various correspondence with Counsels re: shareholder issues and SISP credit bid request, update with Interim Lender re: payouts, update with Counsel re: shareholder review of security, review of environmental update and correspondence with stakeholders re: the same, etc.	4
H. Yin	06-Mar-24	Draft email re KPI Dealer Solutions potential engagement; Draft email re environmental concerns to C. Bourret and Counsel; Scan payroll register and draft email to C. Wolf re employee listing, review listing and upload to VDR; Correspondence with Cushman & Wakefield re appraisal invoice; Correspondence with Pinchin re remediation plan; Perform HST reconciliation and correspondence with C. Lonergan, C. Wolf re same; Correspondence with C. Wolf re various accounting matters.	3.3
P. Naumis	06-Mar-24	SISP update with BDO team.	0.1
C. Lonergan	07-Mar-24	Update with VW re: shareholder concerns, SISP process, multiple updates re: shareholder offer and potential credit bid, update with BDO team and counsels re: the same, update of the APA and discussion with Counsel re: the same, review of updated documents in the data-room, update with Sales Agent re: environmental update, etc.	4.4
H. Yin	07-Mar-24	Call with C. Bourret re email to KPI Dealer Solutions Inc. Draft email re same; Review and proof invoices for C. Lonergan to finalize; Correspondence with BMO re floor plan listing. Reconcile vehicle purchases since filing date for HST calculation.	1.6
C. Lonergan	08-Mar-24	Review of shareholder counsel correspondence, update with Company litigation counsel re: shareholder litigation, update with Counsel re: litigation update, shareholder SISP request, credit bid, etc., review of Company counsel correspondence re: the same, update with Interim Lender re: shareholder issues, environmental	1.4

Staff	Date	Comments	Hours
		update, discussion with BDO team and Sales agent re: the same, etc.	
H. Yin	08-Mar-24	Correspondence with potential purchasers and their counsel re VDR access, APA, other materials required; Revise employee listing for VDR; Call with J. Raymond re next steps; Correspondence with Tire Discounter re pre-filing invoices.	0.8
C. Lonergan	11-Mar-24	SISP update call with Purchasers, answering purchasers' questions, update with Sales Agent, HST review, etc.	1.7
H. Yin	11-Mar-24	Correspondence with D. Armstrong re Tire Discounters situation, correspondence with Tire Discounters re same; Call with J. Raymond re buyer questions and update; Call with C. Wolf re professional fees to be paid; Prepare for and meet with potential purchaser re LOI process, and answer questions. Take notes and correspond with C. Lonergan re same.	1.7
C. Lonergan	12-Mar-24	SISP update, discussions with Sales Agent re: purchaser questions, APA review, discussion with BDO team re: SISP and HST, etc.	1.1
H. Yin	12-Mar-24	Call with C. Bourret re various items; Correspondence with City of Cornwall re Work Order Report Request; Meet with C. Lonergan re file status and next steps; Correspondence with Pinchin re proposal on remediation plan, sign and send back proposal; Call with J. Raymond re questions about binding LOI, etc.; Prepare for and meet with potential purchaser and its counsel to answer question re next steps; Draft email to purchasers re questions raised. Review previous week's banking activities and conduct cash flow variance analysis.	3.5
H. Yin	13-Mar-24	Correspondence with Pinchin re environmental remediation proposal, review proposal and finalize, etc.; Correspondence with Volkswagen AP department re recent transactions with Cornwall VW, etc.; Call with J. Raymond re sales process, draft FAQ email to potential purchasers; Correspondence with C. Wolf re various accounting matters; Correspondence with G. Phoenix and City of Cornwall re work order report request, etc.	1.9
C. Lonergan	14-Mar-24	SISP update, review of LOI, review of banking letter, update correspondence with counsel for potential purchaser re: environmental concerns and other LOI questions, update discussion with Sales agent, update email to the Bank, etc.	2
H. Yin	14-Mar-24	Correspondence with C. Wolf re various accounting matters; Perform HST reconciliation for January and February 2024; Correspondence with J. Raymond re sales process and purchaser inquiries; Correspondence with City of Cornwall re work order request and payment; Finalize Proposal Trustee invoices and send to Cornwall Volkswagen; Correspondence with potential purchasers re real estate appraisal; Draft email to Volkswagen re sales process status, etc.; Review Pinchin invoice and send to C. Wolf for processing.	2.7
C. Lonergan	15-Mar-24	Review of LOIs, update call with Sales Agent and Lender re: the same, update call with Counsels re: LOIs, LOI summary and	3

Staff	Date	Comments	Hours
		proceeds waterfall, planning and next steps discussion with VW, discussion with BDO team re: the same, etc.	
H. Yin	15-Mar-24	Review and summarize all LOIs received. Call with J. Raymond re same; Draft email to all parties re LOI submissions.	2.7
C. Lonergan	18-Mar-24	Review of LOIs, review of LOI summary analysis, review of remaining conditions per each LOI, update on Pinchin environmental update, discussion with Volkswagen Canada re: potential purchasers and SISP process, update call with Bank, BDO team, Sales Agent and counsels re: LOI, the Successful Party, and remaining items, shareholder litigation update, etc.	2.8
H. Yin	18-Mar-24	Call with C. Lonergan re LOI summary, etc. Call with J. Raymond re same. Revise LOI summary and draft email to the bank; Conduct variance analysis on prior week cash flow; Correspondence with C. Wolf re various accounting matters.	2.7
C. Lonergan	19-Mar-24	Update emails to potential purchasers, update discussion with Volkswagen Canada re: the same, closing items next steps, discussion with Sales Agent and Counsel re: remaining items, follow up with Pinchin re: environmental matters, cash flow update and HST update, etc.	1
C. Lonergan	21-Mar-24	Follow-up discussion with purchaser, counsel re: next steps, deposit update, administrative next steps and court date timing, update calls with Counsel re: Court date, compressed timelines, purchaser update and litigation claim, etc.	1.2
H. Yin	21-Mar-24	Correspondence with J. Raymond re sales process, purchaser deposit, etc. Correspondence with C. Lonergan re same; Draft email to purchaser re deposit payment; Call with V. DaRe re draft APA, etc.	0.6
C. Lonergan	22-Mar-24	Review of APA mark up and LOI additions, follow-up email to potential purchaser, counsels and Sales Agent re: SISP next steps, update email to Bank, shareholders and counsels re: expedited time frame due to April 3, 2024 Court Date, update call with Sales Agent and BDO team re: closing items and administrative remaining items, Court report framework, discussion with Counsel re: litigation items, etc.	4.1



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BDO Canada Limited
20 Wellington Street E, Suite 500
Toronto ON M5E 1C5 Canada

Strictly Private & Confidential

OEM Automotive Cornwall Inc.
c/o BDO Canada Limited
20 Wellington Street E, Suite 500
Toronto, ON M5E 1C5

Date

March 26, 2024

Invoice

CINV2778517

RE: OEM Automotive Cornwall Inc. - NOI

TO OUR FEE FOR PROFESSIONAL SERVICES rendered in connection with our engagement as Trustee in the above noted matter for the period February 24, 2024 to March 22, 2024 as per the details below.

Our Fee	\$ 12,339.50
HST - 13.00% (#R101518124)	1,604.14
TOTAL	<u>\$ 13,943.64</u>

Summary of Time Charges:

	Hours	Rate	Amount
C. Lonergan, Partner	11.2	735.00	8,232.00
P. Naumis, Sr. Manager	1.2	625.00	750.00
H. Yin, Analyst	8.5	395.00	3,357.50
Total	<u>20.9</u>		<u>\$ 12,339.50</u>

BANK WIRE TRANSFER/EFT PAYMENTS: Payment can be made online in Canadian funds. Please ensure you email your online payment confirmations including invoice #, amount paid and payment date) to EFTPayments@bdo.ca

The banking information for BDO Canada Limited is as follows for Canadian Funds

CIBC Main Branch
Commerce Court
199 Bay Street
Toronto, ON M5L 1G9
Account Name: BDO Canada Limited

Bank: Canadian Imperial Bank of Commerce
Bank Institution #: 010
Transit #: 00002
Account #: 91-26910
Swift Reference #: CIBCCATT

Staff	Date	Comments	Hours
C. Lonergan	26-Feb-24	Review of Phase 1 and Phase II reports, update re: groundwater monitoring report from St. Lawrence, Pinchin update, appraisal update and non reliance, etc.	0.6
H. Yin	26-Feb-24	Correspondence with Cushman & Wakefield re appraisal non reliance letter, correspondence with V. DaRe re same; Gather information and draft Sale Process EOI email to send to potential purchasers; Correspondence with C. Wolf re accounting matters, etc.; Meeting with DSMA re Sales Process; Correspondence with Pinchin and St. Lawrence Testing re environmental assessment, discussion with P. Naumis re same.	0.4
P. Naumis	26-Feb-24	Discussion with H. Yin re: environmental assessment and current status. Receive and review environmental assessment reports and monitoring reports. Review for recommendations. Follow up on recommendations if completed by OEM. Call with Pinchin re: updated Phase I and groundwater testing. Call with DSMA.	0.3
C. Lonergan	27-Feb-24	Preparing for and attendance at Court for the extension hearing, multiple SISP update calls with potential purchaser, discussion with Sales Agent and BDO team re: the same, etc.	0.7
H. Yin	27-Feb-24	Meeting with potential purchaser re Sales Process; Meeting with potential purchaser re EOI submission and Sales Process; Meeting with potential purchaser re EOI submission and Sales Process; Correspondence with J. Raymond re various matters related to EOI and sales process; Meeting with GBA re status of 2022 financial review and steps going forward; Correspondence with M. Ryan from Pinchin re issues raised on environmental Phase II, call with P. Naumis re same; Correspondence with V dare and B. Slaney from Cushman & Wakefield to finalize appraisal non-reliance letter; Perform cash reconciliation and cash flow variance analysis and professional fees analysis; Update BDO website for Cornwall VW; Correspondence with V. Dare re minority shareholders' security position.	1
P. Naumis	27-Feb-24	Update from Pinchin. Review proposal. Discussions with H. Yin and C. Lonergan re same. Call with Pinchin to delineate the scope of work, actions and proposed workout moving forward, etc.	0.1
C. Lonergan	28-Feb-24	Review of shareholder security documents, credit bid options, and correspondence re: the same, update to Company stakeholders re: shareholder bid, costs to date, SISP update and appraisal update/non-reliance letter review, various discussions with potential purchasers re: EOI, discussion with BDO team and Counsel re: the same, etc.	0.5
H. Yin	28-Feb-24	Meeting with C. Bourret and C. Wolf re various matters; Draft email update on Cornwall Volkswagen for stakeholders; Correspondence with vendors re Cornwall VW current situation; Correspondence with M. Ryan from Pinchin re environmental assessment and plan moving forward, update P. Naumis and C. Lonergan re same; Correspondence with various potential purchasers re sales process; Correspondence with V. DaRe re appraisal and VDR access for C. Bourret.	0.7

Staff	Date	Comments	Hours
P. Naumis	28-Feb-24	Discussions with H. Yin re: Pinchin ESA and groundwater testing.	0.1
C. Lonergan	29-Feb-24	Review of EOIs, update summary template, environmental update with BDO team, discussion with Company re: shareholder concern responses and accounting functions, cash flow update - VW payments, BMO curtailments, etc.	0.7
H. Yin	29-Feb-24	Correspondence with DSMA re EOIs received; Correspondence with potential purchasers re real estate appraisal; Correspondence with Pinchin, St. Lawrence Testing re environmental assessment plan, meeting with C. Lonergan and P. Naumis re same; Receive and review all EOIs submitted, compile EOI information and prepare comparative analysis; Correspondence with C. Wolf re accounting matters, etc.; Meeting with C. Bourret and C. Lonergan; Call with C. Lonergan and P. Naumis re environmental issues, etc.	1.1
P. Naumis	29-Feb-24	Environmental updates. Update re: EOI deadline, shareholder concerns, DSMA. EOI receipts.	0.2
C. Lonergan	01-Mar-24	Review and update EOI summary, discussion with BDO team and Sales Agent re: the same, review of EOIs, update correspondence with BMO and VW re: the same, discussion with VW re: potential purchasers, environmental update, review of shareholder security review, etc.	0.9
H. Yin	01-Mar-24	Correspondence with J. Raymond re EOI summary, correspondence with C. Lonergan re feedback on summary; Prepare summary package for Volkswagen Canada.	0.2
P. Naumis	01-Mar-24	Review and assess EOIs received and EOI summary.	0.1
C. Lonergan	04-Mar-24	Review of EOI summary update, discussion with Sales Agent and BDO team re: the same, update call with Interim Lender and Counsel re: EOI summary and chosen LOI next round selections, update call with VW re: potential purchasers, review of Sales Agent time and invoices, review and drafting of responses to shareholders re: their concerns, review of critical vendor correspondence from Company Counsel, update with BDO team re: the same, etc.	1
H. Yin	04-Mar-24	Correspondence with V. DaRe re EOIs received; Correspondence with St. Lawrence Testing re reliance letter on groundwater sampling; Call with C. Lonergan and P. Naumis, meeting with BMO and Counsels re EOIs received, etc.; Call with C. Bourret re various matters; Call with C. Wolf re various accounting matters; Gather support and draft email re shareholder concerns; Correspondence with P. Naumis re supplier concerns email to G. Phoenix; Call with J. Raymond re EOI Sale Process.	0.7
P. Naumis	04-Mar-24	Update call with C. Lonergan and H. Yin re: EOIs, assessment, etc. Call with DSMA re: EOI's received. Conference call with BMO, counsel, DSMA and Proposal Trustee to discuss EOI's received, summary of candidates and offers, and identified interested parties to invite back to binding LOI stage.	0.2

Staff	Date	Comments	Hours
C. Lonergan	05-Mar-24	Drafting APA, review of shareholder correspondence re: their concerns, review of VW correspondence re: the same, SISP update to the potential purchasers, update with shareholder counsel re: next steps, APA and access to data-room, update call with Company re: vehicles, etc.	0.7
H. Yin	05-Mar-24	Correspondence with St. Lawrence Testing re quote on updated groundwater sampling; Correspondence with Pinchin on proposal for remediation plan; Correspondence with M. Paquette re various matters; Review previous week bank statement transactions and conduct variance analysis; Draft email to BMO on monthly cash flow reporting; Correspondence with C. Lonergan re email communication to notify successful parties to participate in the next step, send out emails re same.	0.6
P. Naumis	05-Mar-24	Various emails re: LOI invitees, ESA, APS, correspondence and queries from counsel for C. Bourret and invitees. Correspondence to invitee query.	0.1
C. Lonergan	06-Mar-24	Drafting of APA, update to Interim Lender re: variance reporting, various correspondence with Counsels re: shareholder issues and SISP credit bid request, update with Interim Lender re: payouts, update with Counsel re: shareholder review of security, review of environmental update and correspondence with stakeholders re: the same, etc.	0.9
H. Yin	06-Mar-24	Draft email re KPI Dealer Solutions potential engagement; Draft email re environmental concerns to C. Bourret and Counsel; Scan payroll register and draft email to C. Wolf re employee listing, review listing and upload to VDR; Correspondence with Cushman & Wakefield re appraisal invoice; Correspondence with Pinchin re remediation plan; Perform HST reconciliation and correspondence with C. Lonergan, C. Wolf re same; Correspondence with C. Wolf re various accounting matters.	0.6
P. Naumis	06-Mar-24	SISP update with BDO team.	0.1
C. Lonergan	07-Mar-24	Update with VW re: shareholder concerns, SISP process, multiple updates re: shareholder offer and potential credit bid, update with BDO team and counsels re: the same, update of the APA and discussion with Counsel re: the same, review of updated documents in the data-room, update with Sales Agent re: environmental update, etc.	1
H. Yin	07-Mar-24	Call with C. Bourret re email to KPI Dealer Solutions Inc. Draft email re same; Review and proof invoices for C. Lonergan to finalize; Correspondence with BMO re floor plan listing. Reconcile vehicle purchases since filing date for HST calculation.	0.3
C. Lonergan	08-Mar-24	Review of shareholder counsel correspondence, update with Company litigation counsel re: shareholder litigation, update with Counsel re: litigation update, shareholder SISP request, credit bid, etc., review of Company counsel correspondence re: the same, update with Interim Lender re: shareholder issues,	0.3

Staff	Date	Comments	Hours
		environmental update, discussion with BDO team and Sales agent re: the same, etc.	
H. Yin	08-Mar-24	Correspondence with potential purchasers and their counsel re VDR access, APA, other materials required; Revise employee listing for VDR; Call with J. Raymond re next steps.	0.2
C. Lonergan	11-Mar-24	SISP update call with Purchasers, answering purchasers' questions, update with Sales Agent, HST review, etc.	0.4
H. Yin	11-Mar-24	Call with J. Raymond re buyer questions and update; Call with C. Wolf re professional fees to be paid; Prepare for and meet with potential purchaser re LOI process, and answer questions. Take notes and correspond with C. Lonergan re same.	0.2
C. Lonergan	12-Mar-24	SISP update, discussions with Sales Agent re: purchaser questions, APA review, discussion with BDO team re: SISP and HST, etc.	0.3
H. Yin	12-Mar-24	Call with C. Bourret re various items; Correspondence with City of Cornwall re Work Order Report Request; Meet with C. Lonergan re file status and next steps; Correspondence with Pinchin re proposal on remediation plan, sign and send back proposal; Call with J. Raymond re questions about binding LOI, etc; Prepare for and meet with potential purchaser and its counsel to answer question re next steps; Draft email to purchasers re questions raised. Review previous week's banking activities and conduct cash flow variance analysis.	0.6
H. Yin	13-Mar-24	Correspondence with Pinchin re environmental remediation proposal, review proposal and finalize, etc.; Correspondence with Volkswagen AP department re recent transactions with Cornwall VW, etc.; Call with J. Raymond re sales process, draft FAQ email to potential purchasers; Correspondence with C. Wolf re various accounting matters; Correspondence with G. Phoenix and City of Cornwall re work order report request, etc.	0.3
C. Lonergan	14-Mar-24	SISP update, review of LOI, review of banking letter, update correspondence with counsel for potential purchaser re: environmental concerns and other LOI questions, update discussion with Sales agent, update email to the Bank, etc.	0.5
H. Yin	14-Mar-24	Correspondence with C. Wolf re various accounting matters; Perform HST reconciliation for January and February 2024; Correspondence with J. Raymond re sales process and purchaser inquiries; Correspondence with City of Cornwall re work order request and payment; Finalize Proposal Trustee invoices and send to Cornwall Volkswagen; Correspondence with potential purchasers re real estate appraisal; Draft email to Volkswagen re sales process status, etc.; Review Pinchin invoice and send to C. Wolf for processing.	0.5
C. Lonergan	15-Mar-24	Review of LOIs, update call with Sales Agent and Lender re: the same, update call with Counsels re: LOIs, LOI summary and proceeds waterfall, planning and next steps discussion with VW, discussion with BDO team re: the same, etc.	0.7

Staff	Date	Comments	Hours
H. Yin	15-Mar-24	Review and summarize all LOIs received. Call with J. Raymond re same; Draft email to all parties re LOI submissions.	0.5
C. Lonergan	18-Mar-24	Review of LOIs, review of LOI summary analysis, review of remaining conditions per each LOI, update on Pinchin environmental update, discussion with Volkswagen Canada re: potential purchasers and SISP process, update call with Bank, BDO team, Sales Agent and counsels re: LOI, the Successful Party, and remaining items, shareholder litigation update, etc.	0.6
H. Yin	18-Mar-24	Call with C. Lonergan re LOI summary, etc. Call with J. Raymond re same. Revise LOI summary and draft email to the bank; Conduct variance analysis on prior week cash flow; Correspondence with C. Wolf re various accounting matters.	0.5
C. Lonergan	19-Mar-24	Update emails to potential purchasers, update discussion with Volkswagen Canada re: the same, closing items next steps, discussion with Sales Agent and Counsel re: remaining items, follow up with Pinchin re: environmental matters, cash flow update and HST update, etc.	0.2
C. Lonergan	21-Mar-24	Follow-up discussion with purchaser, counsel re: next steps, deposit update, administrative next steps and court date timing, update calls with Counsel re: Court date, compressed timelines, purchaser update and litigation claim, etc.	0.3
H. Yin	21-Mar-24	Correspondence with J. Raymond re sales process, purchaser deposit, etc. Correspondence with C. Lonergan re same; Draft email to purchaser re deposit payment; Call with V. DaRe re draft APA, etc.	0.1
C. Lonergan	22-Mar-24	Review of APA mark up and LOI additions, follow-up email to potential purchaser, counsels and Sales Agent re: SISP next steps, update email to Bank, shareholders and counsels re: expedited time frame due to April 3, 2024 Court Date, update call with Sales Agent and BDO team re: closing items and administrative remaining items, Court report framework, discussion with Counsel re: litigation items, etc.	0.9



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Toronto ON M5E 1C5 Canada

Strictly Private & Confidential

OEM Automotive Holdings Inc.
c/o BDO Canada Limited
20 Wellington Street E, Suite 500
Toronto, ON M5E 1C5

Date

March 26, 2024

Invoice

CINV2778519

RE: OEM Automotive Holdings Inc. - NOI

TO OUR FEE FOR PROFESSIONAL SERVICES rendered in connection with our engagement as Trustee in the above noted matter for the period February 24, 2024 to March 22, 2024 as per the details below.

Our Fee	\$ 12,339.50
HST - 13.00% (#R101518124)	1,604.14
TOTAL	<u>\$ 13,943.64</u>

Summary of Time Charges:

	Hours	Rate	Amount
C. Lonergan, Partner	11.2	735.00	8,232.00
P. Naumis, Sr. Manager	1.2	625.00	750.00
H. Yin, Analyst	8.5	395.00	3,357.50
Total	<u>20.9</u>		<u>\$ 12,339.50</u>

BANK WIRE TRANSFER/EFT PAYMENTS: Payment can be made online in Canadian funds. Please ensure you email your online payment confirmations including invoice #, amount paid and payment date) to EFTPayments@bdo.ca

The banking information for BDO Canada Limited is as follows for Canadian Funds

CIBC Main Branch
Commerce Court
199 Bay Street
Toronto, ON M5L 1G9
Account Name: BDO Canada Limited

Bank: Canadian Imperial Bank of Commerce
Bank Institution #: 010
Transit #: 00002
Account #: 91-26910
Swift Reference #: CIBCCATT

Staff	Date	Comments	Hours
C. Lonergan	26-Feb-24	Review of Phase 1 and Phase II reports, update re: groundwater monitoring report from St. Lawrence, Pinchin update, appraisal update and non reliance, etc.	0.6
H. Yin	26-Feb-24	Correspondence with Cushman & Wakefield re appraisal non reliance letter, correspondence with V. DaRe re same; Gather information and draft Sale Process EOI email to send to potential purchasers; Correspondence with C. Wolf re accounting matters, etc.; Meeting with DSMA re Sales Process; Correspondence with Pinchin and St. Lawrence Testing re environmental assessment, discussion with P. Naumis re same.	0.4
P. Naumis	26-Feb-24	Discussion with H. Yin re: environmental assessment and current status. Receive and review environmental assessment reports and monitoring reports. Review for recommendations. Follow up on recommendations if completed by OEM. Call with Pinchin re: updated Phase I and groundwater testing. Call with DSMA.	0.3
C. Lonergan	27-Feb-24	Preparing for and attendance at Court for the extension hearing, multiple SISP update calls with potential purchaser, discussion with Sales Agent and BDO team re: the same, etc.	0.7
H. Yin	27-Feb-24	Meeting with potential purchaser re Sales Process; Meeting with potential purchaser re EOI submission and Sales Process; Meeting with potential purchaser re EOI submission and Sales Process; Correspondence with J. Raymond re various matters related to EOI and sales process; Meeting with GBA re status of 2022 financial review and steps going forward; Correspondence with M. Ryan from Pinchin re issues raised on environmental Phase II, call with P. Naumis re same; Correspondence with V dare and B. Slaney from Cushman & Wakefield to finalize appraisal non-reliance letter; Perform cash reconciliation and cash flow variance analysis and professional fees analysis; Update BDO website for Cornwall VW; Correspondence with V. Dare re minority shareholders' security position.	1
P. Naumis	27-Feb-24	Update from Pinchin. Review proposal. Discussions with H. Yin and C. Lonergan re same. Call with Pinchin to delineate the scope of work, actions and proposed workout moving forward, etc.	0.1
C. Lonergan	28-Feb-24	Review of shareholder security documents, credit bid options, and correspondence re: the same, update to Company stakeholders re: shareholder bid, costs to date, SISP update and appraisal update/non-reliance letter review, various discussions with potential purchasers re: EOI, discussion with BDO team and Counsel re: the same, etc.	0.5
H. Yin	28-Feb-24	Meeting with C. Bourret and C. Wolf re various matters; Draft email update on Cornwall Volkswagen for stakeholders; Correspondence with vendors re Cornwall VW current situation; Correspondence with M. Ryan from Pinchin re environmental assessment and plan moving forward, update P. Naumis and C. Lonergan re same; Correspondence with various potential purchasers re sales process; Correspondence with V. DaRe re appraisal and VDR access for C. Bourret.	0.7

Staff	Date	Comments	Hours
P. Naumis	28-Feb-24	Discussions with H. Yin re: Pinchin ESA and groundwater testing.	0.1
C. Lonergan	29-Feb-24	Review of EOIs, update summary template, environmental update with BDO team, discussion with Company re: shareholder concern responses and accounting functions, cash flow update - VW payments, BMO curtailments, etc.	0.7
H. Yin	29-Feb-24	Correspondence with DSMA re EOIs received; Correspondence with potential purchasers re real estate appraisal; Correspondence with Pinchin, St. Lawrence Testing re environmental assessment plan, meeting with C. Lonergan and P. Naumis re same; Receive and review all EOIs submitted, compile EOI information and prepare comparative analysis; Correspondence with C. Wolf re accounting matters, etc.; Meeting with C. Bourret and C. Lonergan; Call with C. Lonergan and P. Naumis re environmental issues, etc.	1.1
P. Naumis	29-Feb-24	Environmental updates. Update re: EOI deadline, shareholder concerns, DSMA. EOI receipts.	0.2
C. Lonergan	01-Mar-24	Review and update EOI summary, discussion with BDO team and Sales Agent re: the same, review of EOIs, update correspondence with BMO and VW re: the same, discussion with VW re: potential purchasers, environmental update, review of shareholder security review, etc.	0.9
H. Yin	01-Mar-24	Correspondence with J. Raymond re EOI summary, correspondence with C. Lonergan re feedback on summary; Prepare summary package for Volkswagen Canada.	0.2
P. Naumis	01-Mar-24	Review and assess EOIs received and EOI summary.	0.1
C. Lonergan	04-Mar-24	Review of EOI summary update, discussion with Sales Agent and BDO team re: the same, update call with Interim Lender and Counsel re: EOI summary and chosen LOI next round selections, update call with VW re: potential purchasers, review of Sales Agent time and invoices, review and drafting of responses to shareholders re: their concerns, review of critical vendor correspondence from Company Counsel, update with BDO team re: the same, etc.	1
H. Yin	04-Mar-24	Correspondence with V. DaRe re EOIs received; Correspondence with St. Lawrence Testing re reliance letter on groundwater sampling; Call with C. Lonergan and P. Naumis, meeting with BMO and Counsels re EOIs received, etc.; Call with C. Bourret re various matters; Call with C. Wolf re various accounting matters; Gather support and draft email re shareholder concerns; Correspondence with P. Naumis re supplier concerns email to G. Phoenix; Call with J. Raymond re EOI Sale Process.	0.7
P. Naumis	04-Mar-24	Update call with C. Lonergan and H. Yin re: EOIs, assessment, etc. Call with DSMA re: EOI's received. Conference call with BMO, counsel, DSMA and Proposal Trustee to discuss EOI's received, summary of candidates and offers, and identified interested parties to invite back to binding LOI stage.	0.2
C. Lonergan	05-Mar-24	Drafting APA, review of shareholder correspondence re: their concerns, review of VW correspondence re: the same, SISP update	0.7

Staff	Date	Comments	Hours
		to the potential purchasers, update with shareholder counsel re: next steps, APA and access to data-room, update call with Company re: vehicles, etc.	
H. Yin	05-Mar-24	Correspondence with St. Lawrence Testing re quote on updated groundwater sampling; Correspondence with Pinchin on proposal for remediation plan; Correspondence with M. Paquette re various matters; Review previous week bank statement transactions and conduct variance analysis; Draft email to BMO on monthly cash flow reporting; Correspondence with C. Lonergan re email communication to notify successful parties to participate in the next step, send out emails re same.	0.6
P. Naumis	05-Mar-24	Various emails re: LOI invitees, ESA, APS, correspondence and queries from counsel for C. Bourret and invitees. Correspondence to invitee query.	0.1
C. Lonergan	06-Mar-24	Drafting of APA, update to Interim Lender re: variance reporting, various correspondence with Counsels re: shareholder issues and SISP credit bid request, update with Interim Lender re: payouts, update with Counsel re: shareholder review of security, review of environmental update and correspondence with stakeholders re: the same, etc.	0.9
H. Yin	06-Mar-24	Draft email re KPI Dealer Solutions potential engagement; Draft email re environmental concerns to C. Bourret and Counsel; Scan payroll register and draft email to C. Wolf re employee listing, review listing and upload to VDR; Correspondence with Cushman & Wakefield re appraisal invoice; Correspondence with Pinchin re remediation plan; Perform HST reconciliation and correspondence with C. Lonergan, C. Wolf re same; Correspondence with C. Wolf re various accounting matters.	0.6
P. Naumis	06-Mar-24	SISP update with BDO team.	0.1
C. Lonergan	07-Mar-24	Update with VW re: shareholder concerns, SISP process, multiple updates re: shareholder offer and potential credit bid, update with BDO team and counsels re: the same, update of the APA and discussion with Counsel re: the same, review of updated documents in the data-room, update with Sales Agent re: environmental update, etc.	1
H. Yin	07-Mar-24	Call with C. Bourret re email to KPI Dealer Solutions Inc. Draft email re same; Review and proof invoices for C. Lonergan to finalize; Correspondence with BMO re floor plan listing. Reconcile vehicle purchases since filing date for HST calculation.	0.3
C. Lonergan	08-Mar-24	Review of shareholder counsel correspondence, update with Company litigation counsel re: shareholder litigation, update with Counsel re: litigation update, shareholder SISP request, credit bid, etc., review of Company counsel correspondence re: the same, update with Interim Lender re: shareholder issues, environmental update, discussion with BDO team and Sales agent re: the same, etc.	0.3

Staff	Date	Comments	Hours
H. Yin	08-Mar-24	Correspondence with potential purchasers and their counsel re VDR access, APA, other materials required; Revise employee listing for VDR; Call with J. Raymond re next steps.	0.2
C. Lonergan	11-Mar-24	SISP update call with Purchasers, answering purchasers' questions, update with Sales Agent, HST review, etc.	0.4
H. Yin	11-Mar-24	Call with J. Raymond re buyer questions and update; Call with C. Wolf re professional fees to be paid; Prepare for and meet with potential purchaser re LOI process, and answer questions. Take notes and correspond with C. Lonergan re same.	0.2
C. Lonergan	12-Mar-24	SISP update, discussions with Sales Agent re: purchaser questions, APA review, discussion with BDO team re: SISP and HST, etc.	0.3
H. Yin	12-Mar-24	Call with C. Bourret re various items; Correspondence with City of Cornwall re Work Order Report Request; Meet with C. Lonergan re file status and next steps; Correspondence with Pinchin re proposal on remediation plan, sign and send back proposal; Call with J. Raymond re questions about binding LOI, etc.; Prepare for and meet with potential purchaser and its counsel to answer question re next steps; Draft email to purchasers re questions raised. Review previous week's banking activities and conduct cash flow variance analysis.	0.6
H. Yin	13-Mar-24	Correspondence with Pinchin re environmental remediation proposal, review proposal and finalize, etc.; Correspondence with Volkswagen AP department re recent transactions with Cornwall VW, etc.; Call with J. Raymond re sales process, draft FAQ email to potential purchasers; Correspondence with C. Wolf re various accounting matters; Correspondence with G. Phoenix and City of Cornwall re work order report request, etc.	0.3
C. Lonergan	14-Mar-24	SISP update, review of LOI, review of banking letter, update correspondence with counsel for potential purchaser re: environmental concerns and other LOI questions, update discussion with Sales agent, update email to the Bank, etc.	0.5
H. Yin	14-Mar-24	Correspondence with C. Wolf re various accounting matters; Perform HST reconciliation for January and February 2024; Correspondence with J. Raymond re sales process and purchaser inquiries; Correspondence with City of Cornwall re work order request and payment; Finalize Proposal Trustee invoices and send to Cornwall Volkswagen; Correspondence with potential purchasers re real estate appraisal; Draft email to Volkswagen re sales process status, etc.; Review Pinchin invoice and send to C. Wolf for processing.	0.5
C. Lonergan	15-Mar-24	Review of LOIs, update call with Sales Agent and Lender re: the same, update call with Counsels re: LOIs, LOI summary and proceeds waterfall, planning and next steps discussion with VW, discussion with BDO team re: the same, etc.	0.7
H. Yin	15-Mar-24	Review and summarize all LOIs received. Call with J. Raymond re same; Draft email to all parties re LOI submissions.	0.5

Staff	Date	Comments	Hours
C. Lonergan	18-Mar-24	Review of LOIs, review of LOI summary analysis, review of remaining conditions per each LOI, update on Pinchin environmental update, discussion with Volkswagen Canada re: potential purchasers and SISP process, update call with Bank, BDO team, Sales Agent and counsels re: LOI, the Successful Party, and remaining items, shareholder litigation update, etc.	0.6
H. Yin	18-Mar-24	Call with C. Lonergan re LOI summary, etc. Call with J. Raymond re same. Revise LOI summary and draft email to the bank; Conduct variance analysis on prior week cash flow; Correspondence with C. Wolf re various accounting matters.	0.5
C. Lonergan	19-Mar-24	Update emails to potential purchasers, update discussion with Volkswagen Canada re: the same, closing items next steps, discussion with Sales Agent and Counsel re: remaining items, follow up with Pinchin re: environmental matters, cash flow update and HST update, etc.	0.2
C. Lonergan	21-Mar-24	Follow-up discussion with purchaser, counsel re: next steps, deposit update, administrative next steps and court date timing, update calls with Counsel re: Court date, compressed timelines, purchaser update and litigation claim, etc.	0.3
H. Yin	21-Mar-24	Correspondence with J. Raymond re sales process, purchaser deposit, etc. Correspondence with C. Lonergan re same; Draft email to purchaser re deposit payment; Call with V. DaRe re draft APA, etc.	0.1
C. Lonergan	22-Mar-24	Review of APA mark up and LOI additions, follow-up email to potential purchaser, counsels and Sales Agent re: SISP next steps, update email to Bank, shareholders and counsels re: expedited time frame due to April 3, 2024 Court Date, update call with Sales Agent and BDO team re: closing items and administrative remaining items, Court report framework, discussion with Counsel re: litigation items, etc.	0.9

This is Exhibit "C" referred to in the Affidavit of Clark Lonergan, sworn before me this 27th day of March, 2024.

A handwritten signature in black ink, appearing to read "T. Montesano", written over a horizontal line.

A Commissioner for Taking Affidavits

TONY MONTESANO

Antonio Montesano, a Commissioner, etc.,
Province of Ontario, for BDO Canada LLP
and BDO Canada Limited, and
their subsidiaries, associates and affiliates.
Expires December 21, 2026.

EXHIBIT "C"

BDO CANADA LIMITED

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
 OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC., AND
 OEM AUTOMOTIVE HOLDINGS INC.

TIME SUMMARY FROM JANUARY 20, 2024 TO MARCH 22, 2024

	Hours	Rate	Amount
Clark Lonergan, Partner	134.10	\$ 735.00	98,563.50
Peter Naumis, Senior Manager	36.70	625.00	22,937.50
Heron Yin, Senior Analyst	152.10	395.00	60,079.50
Total	322.90		181,580.50
 Average Hourly Amount			 <u><u>\$ 562.34</u></u>

Third Report of the Proposal Trustee
Appendix “L”

District of Ontario
Division No. 12 - Ottawa
Court File No. BK-33-03025642
Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF OEM AUTOMOTIVE
SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC.
AND OEM AUTOMOTIVE HOLDINGS INC.

AFFIDAVIT OF SCOTT R. VENTON
SWORN March 25, 2024

I, Scott R. Venton, of the City of Toronto, in the Province of Ontario, Barrister and Solicitor, MAKE OATH AND SAY AS FOLLOWS:

1. I am a lawyer with the law firm of Fogler, Rubino LLP ("FR") and have knowledge of the matters hereinafter deposed to.
2. Attached hereto as **Exhibit "A"** is a true copy of the interim account dated February 28, 2024, rendered for the work done from February 7, 2024 to February 27, 2024, by FR to BDO Canada Limited, in its capacity as the Proposal Trustee of OEM Automotive Solutions Inc., OEM Automotive Cornwall Inc. and OEM Automotive Holdings Inc. (in such capacity, the "**Proposal Trustee**"), which account sets out the particulars of the work performed by FR with respect to this matter.

3. Attached hereto as **Exhibit "B"** is a true copy of the interim account dated March 25, 2024, rendered for the work done from February 28, 2024 to March 25, 2024 by FR to the Proposal Trustee, which account sets out the particulars of the work performed by FR with respect to this matter.

4. The total of the fees, disbursements and applicable taxes from February 7, 2024 to March 25, 2024 is the sum of \$57,648.05.

5. The said accounts by FR to the Proposal Trustee are summarized as follows:

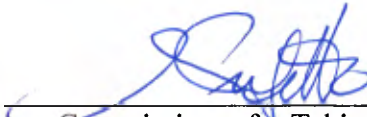
Date	Fees	Disbursements	HST	Total
February 28, 2024	\$16,756.00	\$382.99	\$2,228.07	\$19,367.06
March 25, 2024	\$33,796.00	\$80.98	\$4,404.01	\$38,280.99
TOTAL	\$50,552.00	\$463.97	\$6,632.08	\$57,648.05

6. The following are the billing rates of the lawyers who have worked upon the matter together with their year of call.

Timekeeper	Hourly Rate	Year of Call
Vern W. DaRe	\$710.00 (2024)	1991

7. The hourly billing rates applied are FR's normal hourly rates for this client.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario on
March 25, 2024

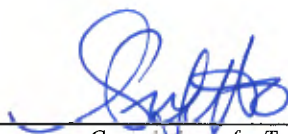


Commissioner for Taking Affidavits
(or as may be)
Nina Perfetto



SCOTT R. VENTON

This is Exhibit "A" referred to in the Affidavit of Scott R. Venton sworn March 25, 2024.



Commissioner for Taking Affidavits (or as may be)

Nina Perfetto

Invoice Num: 22403146

February 28, 2024

BDO Canada Limited
 20 Wellington Street East, Suite 500
 Toronto ON M5E 1C5

Attention: Clark Lonergan
 Partner / Senior Vice President

IN ACCOUNT WITH
 Fogler, Rubinoff LLP
 77 King Street West, Suite 3000
 TD Centre North Tower
 P.O. Box 95
 Toronto, ON
 M5K 1G8
 Telephone: 416-864-9700
 Fax: 416-941-8852
 www.foglers.com

fogler
rubinoff

Our File: B3169 / 236535
BDO Canada Limited as Proposal Trustee for OEM Automotive Holdings Inc.,
OEM Automotive Solutions Inc. and OEM Automotive Cornwall Inc.

FOR PROFESSIONAL SERVICES RENDERED in connection with the above-noted matter from February 7, 2024 to February 27, 2024, including:

<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>	<u>Fees</u>
Feb-07-24	VWD	Revise and complete next draft of APS; review email from Chris Trivisonno; review email from Adrienne Ho regarding BMO; emails to client.	5.20	3,692.00
Feb-15-24	VWD	Review additional credit facilities, security and other documents provided to me by BMO's counsel; revise and finalize BMO's security opinion; email to client regarding same.	3.30	2,343.00
Feb-20-24	VWD	Review draft Affidavit of Caroline Bourret and comment on same; email to Companies' counsel and client regarding same.	0.40	284.00
Feb-20-24	VWD	Review draft Notice of Motion and draft Order and comment on same; emails to client and Companies' counsel regarding same.	0.60	426.00
Feb-22-24	VWD	Review draft Second Report and propose revisions; emails to and from client.	3.60	2,556.00
Feb-23-24	VWD	Telephone call with Maya Poliak ; lengthy email to client regarding same; review SISF; review Statement of Law regarding Tuesday's motion.	2.40	1,704.00
Feb-26-24	VWD	Review email from client; email to Grants' lawyer regarding issues raised by her clients.	1.30	923.00
Feb-26-24	VWD	Review Companies' Motion Record for tomorrow's motion including notice of motion, supporting affidavit and draft Order; review Companies' Factum and Second Report of Proposal Trustee for tomorrow's motion.	2.30	1,633.00

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<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>	<u>Fees</u>
Feb-26-24	VWD	Review draft Non-Reliance letter and propose revisions to same; email from and to client.	0.40	284.00
Feb-27-24	VWD	Prepare for today's motion before Justice Bell by reviewing Companies' motion record and Factum; review Second Report; prepare submissions; attend motion before Justice Bell and make submissions.	4.10	2,911.00
TOTAL FEES:				\$16,756.00


OUR FEE HEREIN - Reduced from \$18,956.00 as a courtesy to you: \$16,756.00

Disbursements

Taxable	Binding Supplies	\$10.70	
Taxable	Courier & Delivery	\$161.69	
Taxable	Prints	\$150.60	
Taxable	Service of Documents	\$60.00	
Total Disbursements			\$382.99
Total Fees and Disbursements			\$17,138.99
HST @ 13% on Fees and Taxable Disbursements			\$2,228.07
Total Fees, Disbursements and Taxes this Bill			\$19,367.06

Balance Due: \$19,367.06

**THIS IS OUR ACCOUNT HEREIN
FOGLER, RUBINOFF LLP**


Scott R. Venton

THIS ACCOUNT BEARS INTEREST, COMMENCING ONE MONTH AFTER DELIVERY, AT THE RATE OF 5.30% PER ANNUM AS AUTHORIZED BY THE SOLICITORS' ACT. ANY DISBURSEMENTS NOT POSTED TO YOUR ACCOUNT ON THE DATE OF THIS STATEMENT WILL BE BILLED LATER.

E. & O.E.

GST/HST No : R119420859

Please return a copy of this account with your payment. Thank you.



For your convenience, we have the following payment options:

- Online banking using the Bill Payment Service at most Canadian chartered banks. Please reference your file or account number in the notes box.
- Direct Deposits at a TD Branch (please provide your Fogler, Rubinoff lawyer with a copy of the cheque and deposit receipt).
- Wire transfer (please reference your file or account number).
- Electronic Funds Transfer (EFT).
- Cheque by mail or courier.

Should you require assistance, please contact our Accounts Receivable Department at 416.864.9700 x152 or by e-mail accountsreceivable@foglers.com.

This is Exhibit "B" referred to in the Affidavit of Scott R. Venton sworn March 25, 2024.



Commissioner for Taking Affidavits (or as may be)
Nina Perfetto

Invoice Num: 22404409

March 25, 2024

BDO Canada Limited
 20 Wellington Street East, Suite 500
 Toronto ON M5E 1C5

Attention: Clark Lonergan
 Partner / Senior Vice President

IN ACCOUNT WITH
 Fogler, Rubinoff LLP
 77 King Street West, Suite 3000
 TD Centre North Tower
 P.O. Box 95
 Toronto, ON
 M5K 1G8
 Telephone: 416-864-9700
 Fax: 416-941-8852
 www.foglers.com

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rubinoff

Our File: B3169 / 236535
BDO Canada Limited as Proposal Trustee for OEM Automotive Holdings Inc.,
OEM Automotive Solutions Inc. and OEM Automotive Cornwall Inc.

FOR PROFESSIONAL SERVICES RENDERED in connection with the above-noted matter from February 28, 2024 to March 25, 2024, including:

<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>	<u>Fees</u>
Feb-28-24	VWD	Review several emails from client, Sales Agent and counsel for the Grants dealing with an on site visit last night that was cancelled; reply to Maya Poliak's email regarding same.	1.30	923.00
Feb-28-24	VWD	Further email exchanges with Maya Poliak regarding the loan and security documents of her clients.	0.60	426.00
Feb-29-24	VWD	Review loan and security documents generally in relation to the Grants and 11678833 Canada Inc., and the security granted by the Companies; review PPSA searches against the Companies; begin drafting legal opinion.	5.20	3,692.00
Mar-01-24	VWD	Complete first draft of legal opinion regarding Grant's and 116's loan and security documents; email from and to BMO's counsel; review environmental reports.	3.60	2,556.00
Mar-01-24	VWD	Review non-binding EOIs; discuss same with Heron Yin.	0.80	568.00
Mar-04-24	VWD	Teams call regarding non-binding EOIs.	0.80	568.00
Mar-06-24	VWD	Emails from client and reply to same; emails from Grants' lawyer and reply to same.	0.80	568.00
Mar-06-24	VWD	Telephone conversation with client; email to Grant's lawyer addressing her questions including regarding the APS, LOI and credit bidding.	1.30	923.00

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<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>	<u>Fees</u>
Mar-07-24	VWD	Review, revise and complete the draft Agreement of Purchase and Sale; several emails from and to client regarding same; emails from and to Grant's counsel; emails to Companies' counsel.	8.20	5,822.00
Mar-08-24	VWD	Review and reply to messages from Grant's lawyer; emails to and from client regarding same.	1.50	1,065.00
Mar-12-24	VWD	Review email from client and reply to same.	0.30	213.00
Mar-14-24	VWD	Email exchanges with Grant's counsel regarding the offers or bids due tomorrow; email exchanges with client.	0.30	213.00
Mar-18-24	VWD	Review LOIs; Teams call with client, BMO and BMO's lawyer.	1.20	852.00
Mar-20-24	VWD	Email exchanges and telephone conversations with client; email exchanges with Graham Phoenix.	0.60	426.00
Mar-21-24	VWD	Emails to and from client; telephone conversations with client.	0.50	355.00
Mar-22-24	VWD	Review Mark Motor's revisions to draft APA; revise draft APA; emails to and from client.	5.20	3,692.00
Mar-24-24	VWD	Prepare the notice of motion and begin drafting the Orders for the motion returnable April 3, 2024.	7.10	5,041.00
Mar-25-24	VWD	Prepare draft Orders and Factum for motion returnable April 3, 2024.	8.30	5,893.00
TOTAL FEES:				\$33,796.00

OUR FEE HEREIN - Reduced from \$36,396.00 as a courtesy to you: \$33,796.00

Disbursements

Taxable	Courier & Delivery	\$19.35	
Taxable	Prints	\$0.30	
Taxable	Service of Documents	\$60.00	
Taxable	Telephone	\$1.33	
Total Disbursements			\$80.98
Total Fees and Disbursements			\$33,876.98
HST @ 13% on Fees and Taxable Disbursements			\$4,404.01
Total Fees, Disbursements and Taxes this Bill			\$38,280.99
Balance Due:			\$38,280.99

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**THIS IS OUR ACCOUNT HEREIN
FOGLER, RUBINOFF LLP**


Scott R. Venton

THIS ACCOUNT BEARS INTEREST, COMMENCING ONE MONTH AFTER DELIVERY, AT THE RATE OF 5.30% PER ANNUM AS AUTHORIZED BY THE SOLICITORS' ACT. ANY DISBURSEMENTS NOT POSTED TO YOUR ACCOUNT ON THE DATE OF THIS STATEMENT WILL BE BILLED LATER.

E. & O.E.

GST/HST No : R119420859

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- Online banking using the Bill Payment Service at most Canadian chartered banks. Please reference your file or account number in the notes box.
- Direct Deposits at a TD Branch (please provide your Fogler, Rubinoff lawyer with a copy of the cheque and deposit receipt).
- Wire transfer (please reference your file or account number).
- Electronic Funds Transfer (EFT).
- Cheque by mail or courier.

Should you require assistance, please contact our Accounts Receivable Department at 416.864.9700 x152 or by e-mail accountsreceivable@foglers.com.

THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF OEM AUTOMOTIVE SOLUTIONS INC.,
OEM AUTOMOTIVE CORNWALL INC. AND OEM AUTOMOTIVE HOLDINGS INC.

District of Ontario
Division No. 12 – Ottawa
Court File No. BK-33-03025642
Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

Proceedings commenced at Ottawa

FEE AFFIDAVIT

FOGLER, RUBINOFF LLP

Toronto-Dominion Centre
77 King Street West
Suite 3000, PO Box 95
Toronto, ON M5K 1G8

Vern W. DaRe (LSO# 32591E)

Tel: 416.941.8842
Fax: 416.941.8852
Email: vdare@foglers.com

Lawyers for BDO Canada Limited,
in its capacity as the Proposal Trustee

THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM AUTOMOTIVE HOLDINGS
INC.

District of Ontario
Division No. 12 – Ottawa
Court File No. BK-33-03025642
Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)
Proceedings commenced at Ottawa

THIRD REPORT OF THE PROPOSAL TRUSTEE
March 27, 2024

FOGLER, RUBINOFF LLP

Toronto-Dominion Centre
77 King Street West
Suite 3000, PO Box 95
Toronto, ON M5K 1G8

Vern W. DaRe (LSO# 32591E)

Tel: 416.941.8842

Fax: 416.941.8852

Email: vdare@foglers.com

Lawyers for BDO Canada Limited,
in its capacity as the Proposal Trustee

TAB 3

**CONFIDENTIAL
SUPPLEMENTARY
REPORT TO THE THIRD
REPORT OF THE
PROPOSAL TRUSTEE,
dated March 27, 2024**

CA A

Confidential Appendix "A"

CA B

Confidential Appendix "B"

C A C

Confidential Appendix "C"

C A D

Confidential Appendix "D"

CA E

Confidential Appendix "E"

CA F

Confidential Appendix 'F'

CA G

Confidential Appendix "G"

CA H

Confidential Appendix 'H'

CA I

Confidential Appendix "I"

CA J

Confidential Appendix "J"

CA K

Confidential Appendix "K"

CAL

Confidential Appendix "L"

C A M

Confidential Appendix 'M'

CAN

Confidential Appendix "N"

CA O

Confidential Appendix "O"

TAB 4

District of Ontario
 Division No. 12 - Ottawa
 Court File No. BK-33-03025642
 Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

THE HONOURABLE)	WEDNESDAY, THE 3 rd
)	
JUSTICE KERSHMAN)	DAY OF APRIL, 2024

**IN THE MATTER OF THE *BANKRUPTCY AND*
INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION
 TO MAKE A PROPOSAL OF
 OEM AUTOMOTIVE SOLUTIONS INC., OEM
 AUTOMOTIVE CORNWALL INC. AND OEM
 AUTOMOTIVE HOLDINGS INC.**

APPROVAL AND VESTING ORDER

THIS MOTION, made by BDO Canada Limited, in its capacity as the proposal trustee (in such capacity, the “**Proposal Trustee**”) of OEM Automotive Solutions Inc., OEM Automotive Cornwall Inc. and OEM Automotive Holdings Inc. (collectively, the “**Debtors**”), for an Order, *inter alia*, approving the sale transaction (the “**Transaction**”) that was selected by the Proposal Trustee under the sale and solicitation process (the “**SISP**”) granted by the Ontario Superior Court of Justice (In Bankruptcy and Insolvency) (the “**Court**”) on January 17, 2024 (the “**Sale Process Order**”), and as contemplated by an agreement of purchase and sale between the Proposal Trustee, as vendor, and Mark Motors of Ottawa (1987) Limited (“**Mark Motors**”) and Mrak Holdings Inc.

(“**Mrak Holdings**”), as purchasers, dated March 27, 2024 (the “**Sale Agreement**”), a final unredacted copy of which is attached to the Confidential Supplementary Report dated March 27, 2024 (the “**Confidential Supplementary Report**”) and a final redacted copy of which is attached to the third report of the Proposal Trustee dated March 27, 2024 (the “**Third Report**”), and vesting in Mark Motors the Debtors’ right, title and interest in and to the property described as the “Purchased Assets” (excluding the Real Property) in the Sale Agreement (the “**Business Assets**”), and vesting in Mrak Holdings the Debtors’ right, title and interest in and to the real property described as the “Real Property” in the Sale Agreement (the “**Real Property**”) (hereinafter, Mark Motors and Mrak Holdings are collectively referred to as the “**Purchaser**”, and the Business Assets and the Real Property are collectively referred to as the “**Purchased Assets**”), was heard this day by judicial videoconference.

ON READING the Third Report, the Confidential Supplementary Report and the appendices thereto, and on hearing the submissions of counsel for the Proposal Trustee, counsel for the Companies, counsel for the Bank of Montreal and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Michelle Pham sworn March 28, 2024, filed,

1. **THIS COURT ORDERS** that the time for service and filing of the notice of this motion and the motion record of the Proposal Trustee is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS AND DECLARES** that the Transaction selected from the SISP is hereby approved, and the execution of the Sale Agreement by the Proposal Trustee is hereby authorized and approved, with such minor amendments as the Proposal Trustee may deem necessary. The Debtors and the Proposal Trustee are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Proposal Trustee's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Proposal Trustee's Certificate**"), all of the Debtors' right, title and interest in and to the Business Assets shall vest absolutely in Mark Motors and all of the Debtors' right, title and interest in and to the Real Property shall vest absolutely in Mrak Holdings, or such other Person(s) (as defined in the Sale Agreement) that the Purchaser may direct or designate, free and clear of and from any and all certificates of pending litigation and any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, writs, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Sale Process Order; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule "C"** hereto (all of which are collectively referred to as the

“**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule “D”**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Stormont (No. 52) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter Mrak Holdings as the owner of the subject Real Property identified in **Schedule “B”** hereto in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule “C”** hereto.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Proposal Trustee’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the 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.

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Proposal Trustee is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in

the Debtors' records pertaining to the Debtors' past and current employees, including personal information of those employees that will be employed by the Purchaser pursuant to the Sale Agreement. 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 by the Debtors.

7. **THIS COURT ORDERS AND DIRECTS** the Proposal Trustee to file with the Court a copy of the Proposal Trustee's Certificate, forthwith after delivery thereof.

8. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtors,

the vesting of the Business Assets in Mark Motors and the vesting of the Real Property in Mrak Holdings, or as it may direct, pursuant to this Order shall be binding on the Proposal Trustee and any other licensed insolvency trustee that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) 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.

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Proposal Trustee 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 orders and to provide such assistance to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Proposal Trustee and its agents in carrying out the terms of this Order.

10. **THIS COURT ORDERS** that this Order is effective from today's date and is enforceable without the need for entry and filing.

Schedule “A” – Form of Proposal Trustee’s Certificate

Court File No. BK-33-03025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

**IN THE MATTER OF THE *BANKRUPTCY AND*
INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM
AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.**

PROPOSAL TRUSTEE’S CERTIFICATE

RECITALS

- I. Pursuant to a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) each filed by OEM Automotive Solutions Inc., OEM Automotive Cornwall Inc. and OEM Automotive Holdings Inc. (the “**Debtors**”) on December 22, 2023, BDO Canada Limited was named as the Debtors’ proposal trustee (in such capacity, the “**Proposal Trustee**”).
- II. Pursuant to an Order of The Honourable Justice A. Kaufman of the Ontario Superior Court of Justice (In Bankruptcy and Insolvency) (the “**Court**”) made January 17, 2024 (the “**Sale Process Order**”), the Court approved, among other things, a sale and investment solicitation process with respect to the assets and business of the Debtors to be conducted, with the assistance of a sales agent, by the Proposal Trustee, and expanded the powers of the Proposal Trustee with respect to the Debtors.

III. Pursuant to an Order of the Court dated April 3, 2024, the Court approved the agreement of purchase and sale between the Proposal Trustee, as vendor, pursuant to the Sale Process Order, and Mark Motors of Ottawa (1987) Limited (“**Mark Motors**”) and Mrak Holdings Inc. (“**Mrak Holdings**”), as purchasers, dated March 27, 2024 (the “**Sale Agreement**”), and provided for the vesting in Mark Motors the Debtors’ right, title and interest in and to the property described as the “**Purchased Assets**” (excluding the Real Property) in the Sale Agreement (the “**Business Assets**”), and vesting in Mrak Holdings the Debtors’ right, title and interest in and to the real property described as the “**Real Property**” in the Sale Agreement (the “**Real Property**”) (hereinafter, Mark Motors and Mrak Holdings are collectively referred to as the “**Purchaser**”, and the Business Assets and the Real Property are collectively referred to as the “**Purchased Assets**”), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Proposal Trustee and the Purchaser; and (iii) that the Transaction has been completed to the satisfaction of the Proposal Trustee.

IV. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Proposal Trustee has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Proposal Trustee and the Purchaser;

3. The Transaction has been completed to the satisfaction of the Proposal Trustee; and
4. This Proposal Trustee's Certificate was delivered by the Proposal Trustee at _____ [TIME] on _____ [DATE].

BDO CANADA LIMITED, solely in its capacity as the proposal trustee of the Debtors, and not in its personal capacity or in any other capacity

Per: _____

Name:

Title:

SCHEDULE “B”**LEGAL DESCRIPTION****Owned by OEM Automotive Cornwall Inc.**

PIN 60180 - 0067 (LT)

PT LT 16 S/S SEVENTH ST PL CORNWALL PT 2 52R2252; CORNWALL

(municipally known as 628 Pitt Street, Cornwall, Ontario)

Owned by OEM Automotive Holdings Inc.

PIN 60180 - 0282 (LT)

PART LOT 16 SOUTH SIDE SEVENTH STREET PLAN CORNWALL, PARTS 1 AND 2,
52R4375; CITY OF CORNWALL

(municipally known as 632 Pitt Street, Cornwall, Ontario)

**SCHEDULE “C”
INSTRUMENTS TO BE DELETED FROM TITLE**

(1) PIN 60180 - 0067 (LT) (municipally known as 628 Pitt Street, Cornwall, Ontario)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
ST109060	2019/11/12	Transfer	\$742,145	Macdonell Family Holdings Inc.	OEM Automotive Cornwall Inc.
ST109061	2019/11/12	Charge	\$560,000	OEM Automotive Cornwall Inc.	Bank of Montreal
ST109062	2019/11/12	Notice of Assignment of Rents General		OEM Automotive Cornwall Inc.	Bank of Montreal
ST109067	2019/11/12	Charge	\$1,000,000	OEM Automotive Cornwall Inc.	Macdonell, Glenn Joseph
ST149429	2024/01/19	Application to Register Court Order		Ontario Superior Court of Justice	BDO Canada Limited

(2) PIN 60180 - 0282 (LT) (municipally known as 632 Pitt Street, Cornwall, Ontario)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
ST109063	2019/11/12	Transfer	\$1,378,270	Macdonell, Michael Allan / Macdonell, Glenn Joseph	OEM Automotive Holdings Inc.
ST109064	2019/11/12	Charge	\$1,040,000	OEM Automotive Holdings Inc.	Bank of Montreal
ST109065	2019/11/12	Notice of Assignment of Rents General		OEM Automotive Holdings Inc.	Bank of Montreal
ST109066	2019/11/12	Charge	\$1,000,000	OEM Automotive Holdings Inc.	Macdonell, Glenn Joseph
ST149429	2024/01/19	Application to Register Court Order		Ontario Superior Court of Justice	BDO Canada Limited

SCHEDULE “D”
PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS

(1) PIN 60180 - 0067 (LT) (municipally known as 628 Pitt Street, Cornwall, Ontario)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
PLCornwall1	1847/10/01	Plan Subdivision			
52R2252	1984/08/22	Plan Reference			

(2) PIN 60180 - 0282 (LT) (municipally known as 632 Pitt Street, Cornwall, Ontario)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
52R4375	1991/09/10	Plan Reference			

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF OEM AUTOMOTIVE SOLUTIONS
INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM AUTOMOTIVE HOLDINGS INC.**

Court File No. BK-33-03025642

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)**

Proceedings commenced at Ottawa

APPROVAL AND VESTING ORDER

FOGLER, RUBINOFF LLP

Toronto-Dominion Centre
77 King Street West
Suite 3000, PO Box 95
Toronto, ON M5K 1G8

Vern W. DaRe (LSO# 32591E)

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Lawyers for the Proposal Trustee

TAB 5

District of Ontario
 Division No. 12 - Ottawa
 Court File No. ●BK-33-03025642
Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
~~COMMERCIAL LIST~~ (IN BANKRUPTCY AND INSOLVENCY)

THE HONOURABLE) WEDNESDAY, THE 3rd
)
 JUSTICE) DAY OF APRIL, ~~2021~~2024

BETWEEN:

IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM
AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.

●

Applicant

~~-and-~~

●

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by BDO Canada Limited, in its capacity as the proposal trustee (in
such capacity, the “Proposal Trustee”) of OEM Automotive Solutions Inc., OEM Automotive
Cornwall Inc. and OEM Automotive Holdings Inc. (collectively, the “Debtors”), for an Order,

inter alia, approving the sale transaction (the “Transaction”) that was selected by the Proposal Trustee under the sale and solicitation process (the “SISP”) granted by the Ontario Superior Court of Justice (In Bankruptcy and Insolvency) (the “Court”) on January 17, 2024 (the “Sale Process Order”), and as contemplated by an agreement of purchase and sale between the Proposal Trustee, as vendor, and Mark Motors of Ottawa (1987) Limited (“Mark Motors”) and Mrak Holdings Inc. (“Mrak Holdings”), as purchasers, dated March 27, 2024 (the “Sale Agreement”), a final unredacted copy of which is attached to the Confidential Supplementary Report dated March 27, 2024 (the “Confidential Supplementary Report”) and a final redacted copy of which is attached to the third report of the Proposal Trustee dated March 27, 2024 (the “Third Report”), and vesting in Mark Motors the Debtors’ right, title and interest in and to the property described as the “Purchased Assets” (excluding the Real Property) in the Sale Agreement (the “Business Assets”), and vesting in Mrak Holdings the Debtors’ right, title and interest in and to the real property described as the “Real Property” in the Sale Agreement (the “Real Property”) (hereinafter, Mark Motors and Mrak Holdings are collectively referred to as the “Purchaser”, and the Business Assets and the Real Property are collectively referred to as the “Purchased Assets”), was heard this day by judicial videoconference.

~~THIS MOTION, made by ●, in its capacity as the Court appointed receiver (the “Receiver”) of the undertaking, property and assets of ● (the “Debtor”) for an order approving the sale transaction (the “Transaction”) contemplated by an agreement of purchase and sale (the “Sale Agreement”) between the Receiver and ● (the “Purchaser”) dated July [DATE], 2022 and appended to the Report of the Receiver dated [DATE] (the “Report”), and vesting in the Purchaser, the Debtor’s right, title and interest in and to the assets described in the Sale Agreement (the~~

~~"Purchased Assets"), was heard this day by videoconference via Zoom in Toronto, Ontario due to the COVID-19 pandemic.~~

ON READING the Third Report, the Confidential Supplementary Report and the appendices thereto, and on hearing the submissions of counsel for the ~~Receiver, and those other parties listed on the Counsel Slip~~Proposal Trustee, counsel for the Companies, counsel for the Bank of Montreal and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ~~●~~Michelle Pham sworn ~~July ●, 2022;~~March 28, 2024, filed.

1. **THIS COURT ORDERS** that the time for service ~~of the Notice of Motion and the Motion Record~~and filing of the notice of this motion and the motion record of the Proposal Trustee is hereby abridged and validated so that this ~~Motion~~motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS AND DECLARES** that the Transaction selected from the SISP is hereby approved, and the execution of the Sale Agreement by the ~~Receiver~~Proposal Trustee is hereby authorized and approved, with such minor amendments as the ~~Receiver~~Proposal Trustee may deem necessary. The ~~Receiver is~~Debtors and the Proposal Trustee are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a ~~Receiver's~~Proposal Trustee's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the ~~"Receiver's"~~"Proposal Trustee's Certificate"), all of the ~~Debtor's~~Debtors' right, title and interest in and to the ~~Purchased~~Business Assets ~~described in the Sale Agreement~~ shall vest absolutely in Mark Motors and all of the Debtors' right, title and interest in and to the Real Property shall vest absolutely in Mrak Holdings, or such other Person(s) (as defined in the Sale Agreement) that the Purchaser may direct or designate, free and clear of and from any and all certificates of pending litigation and any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, writs, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the ~~"Claims"~~⁺) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Sale Process Order ~~of the Honourable Justice [NAME] dated [DATE]~~; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule "C"** hereto (all of which are collectively referred to as the ~~"Encumbrances"~~), which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule "D"**) and, for greater

⁺ The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the ~~[Registry Division of {LOCATION} of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver]~~ Land Titles Division of ~~{LOCATION}~~ [Stormont \(No. 52\)](#) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*², the Land Registrar is hereby directed to enter ~~the Purchaser~~ [Mrak Holdings](#) as the owner of the subject ~~real property~~ [Real Property](#) identified in **Schedule “B”** hereto ~~(the “Real Property”)~~ in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule “C”** hereto.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds³ from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the ~~Receiver's~~ [Proposal Trustee's](#) Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets

² ~~Elect the language appropriate to the land registry system (Registry vs. Land Titles).~~

³ ~~The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".~~

immediately prior to the sale⁴, 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.

~~6. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.~~

6. ~~7.~~ **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the ~~Receiver~~Proposal Trustee is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the ~~Company's Debtors'~~ records pertaining to the ~~Debtor's Debtors'~~ past and current employees, including personal information of those employees ~~listed on Schedule "●"~~that will be employed by the Purchaser pursuant to the Sale Agreement. 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 by the ~~Debtor~~Debtors.

7. THIS COURT ORDERS AND DIRECTS the Proposal Trustee to file with the Court a copy of the Proposal Trustee's Certificate, forthwith after delivery thereof.

8. **THIS COURT ORDERS** that, notwithstanding:

⁴ ~~This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

~~(a)~~ (a) the pendency of these proceedings;

~~(b)~~ (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the ~~Debtor~~ Debtors and any bankruptcy order issued pursuant to any such applications; and

~~(c)~~ (c) any assignment in bankruptcy made in respect of the ~~Debtor~~ Debtors,

the vesting of the ~~Purchased~~ Business Assets in ~~the Purchaser~~ Mark Motors and the vesting of the Real Property in Mrak Holdings, or as it may direct, pursuant to this Order shall be binding on ~~any~~ the Proposal Trustee and any other licensed insolvency trustee ~~in bankruptcy~~ that may be appointed in respect of the ~~Debtor~~ Debtors and shall not be void or voidable by creditors of the ~~Debtor~~ Debtors, nor shall it constitute nor be deemed to be a ~~settlement~~, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) 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.

~~9. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the Bulk Sales Act (Ontario).~~

9. ~~10.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the ~~Receiver~~ Proposal Trustee 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 orders and to provide such assistance to the ~~Receiver~~ Proposal

Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the ~~Receiver~~Proposal Trustee and its agents in carrying out the terms of this Order.

10. **THIS COURT ORDERS** that this Order is effective from today's date and is enforceable without the need for entry and filing.

Schedule "A" – Form of ~~Receiver's~~ Proposal Trustee's CertificateCourt File No. ~~————~~ BK-33-03025642

ONTARIO
SUPERIOR COURT OF JUSTICE
~~COMMERCIAL LIST~~

~~BETWEEN:~~(IN BANKRUPTCY AND INSOLVENCY)**PLAINTIFF**

IN THE MATTER OF THE *BANKRUPTCY AND*
INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM
AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.

Plaintiff

~~—and—~~**DEFENDANT**

Defendant

~~RECEIVER'S~~ PROPOSAL TRUSTEE'S CERTIFICATE**RECITALS**

I. Pursuant to a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) each filed by OEM Automotive Solutions Inc., OEM Automotive Cornwall Inc. and OEM Automotive Holdings Inc. (the "**Debtors**") on December 22, 2023, BDO Canada Limited was named as the Debtors' proposal trustee (in such capacity, the "**Proposal Trustee**").

II.A. Pursuant to an Order of ~~the~~The Honourable ~~[DATE OF JUDGE]~~Justice A. Kaufman of the Ontario Superior Court of Justice (~~the "Court"~~) dated ~~[DATE OF ORDER]~~, ~~[NAME OF RECEIVER]~~ was appointed as the receiver (~~the "Receiver"~~) of the undertaking, property and assets of ~~[DEBTOR]~~ (~~the "Debtor"~~). In Bankruptcy and Insolvency) (the "Court") made January 17, 2024 (the "Sale Process Order"), the Court approved, among other things, a sale and investment solicitation process with respect to the assets and business of the Debtors to be conducted, with the assistance of a sales agent, by the Proposal Trustee, and expanded the powers of the Proposal Trustee with respect to the Debtors.

III.B. Pursuant to an Order of the Court dated ~~[DATE]~~April 3, 2024, the Court approved the agreement of purchase and sale ~~made as of [DATE OF AGREEMENT]~~between the Proposal Trustee, as vendor, pursuant to the Sale Process Order, and Mark Motors of Ottawa (1987) Limited ("Mark Motors") and Mrak Holdings Inc. ("Mrak Holdings"), as purchasers, dated March 27, 2024 (the "Sale Agreement")~~between the Receiver [Debtor] and [NAME OF PURCHASER] (the "Purchaser")~~, and provided for the vesting in ~~the Purchaser of the Debtor's~~Mark Motors the Debtors' right, title and interest in and to the property described as the "Purchased Assets" (excluding the Real Property) in the Sale Agreement (the "Business Assets"), and vesting in Mrak Holdings the Debtors' right, title and interest in and to the real property described as the "Real Property" in the Sale Agreement (the "Real Property") (hereinafter, Mark Motors and Mrak Holdings are collectively referred to as the "**Purchaser**", and the Business Assets and the Real Property are collectively referred to as the "**Purchased Assets**"), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the ~~Receiver~~Proposal Trustee to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the ~~Purchase Price~~purchase price for the Purchased Assets; (ii) that the conditions to ~~Closing~~closing as set out

in ~~section • of~~ the Sale Agreement have been satisfied or waived by the ~~Receiver~~Proposal Trustee and the Purchaser; and (iii) that the Transaction has been completed to the satisfaction of the ~~Receiver~~Proposal Trustee.

IV.C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE ~~RECEIVER~~PROPOSAL TRUSTEE CERTIFIES the following:

1. ~~1.~~ The Purchaser has paid and the ~~Receiver~~Proposal Trustee has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. ~~2.~~ The conditions to Closing as set out in ~~section • of~~ the Sale Agreement have been satisfied or waived by the ~~Receiver~~Proposal Trustee and the Purchaser; ~~and~~
3. ~~3.~~ The Transaction has been completed to the satisfaction of the ~~Receiver~~Proposal Trustee; and
4. ~~4.~~ This Proposal Trustee's Certificate was delivered by the ~~Receiver at [TIME] on [DATE]~~Proposal Trustee at _____ [TIME] on _____ [DATE].

~~[NAME OF RECEIVER]~~BDO CANADA LIMITED, solely in its capacity as ~~Receiver of the undertaking, property and assets of [DEBTOR]~~the proposal trustee of the Debtors, and not in its personal capacity or in any other capacity

Per: _____

Name: _____

Title: _____

~~Schedule~~ SCHEDULE “B—Purchased Assets”

LEGAL DESCRIPTION

Owned by OEM Automotive Cornwall Inc.

PIN 60180 - 0067 (LT)

PT LT 16 S/S SEVENTH ST PL CORNWALL PT 2 52R2252; CORNWALL

~~Schedule C — Claims to be deleted and expunged from title to Real Property~~

**Schedule D—Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

~~(unaffected by the Vesting Order~~municipally known as 628 Pitt Street, Cornwall, Ontario)

Owned by OEM Automotive Holdings Inc.

PIN 60180 - 0282 (LT)

PART LOT 16 SOUTH SIDE SEVENTH STREET PLAN CORNWALL, PARTS 1 AND 2,
52R4375; CITY OF CORNWALL

(municipally known as 632 Pitt Street, Cornwall, Ontario)

SCHEDULE "C"
INSTRUMENTS TO BE DELETED FROM TITLE

(1) PIN 60180 - 0067 (LT) (municipally known as 628 Pitt Street, Cornwall, Ontario)

<u>Reg. No.</u>	<u>Date</u>	<u>Instrument Type</u>	<u>Amount</u>	<u>Parties From</u>	<u>Parties To</u>
<u>ST109060</u>	<u>2019/11/12</u>	<u>Transfer</u>	<u>\$742,145</u>	<u>Macdonell Family Holdings Inc.</u>	<u>OEM Automotive Cornwall Inc.</u>
<u>ST109061</u>	<u>2019/11/12</u>	<u>Charge</u>	<u>\$560,000</u>	<u>OEM Automotive Cornwall Inc.</u>	<u>Bank of Montreal</u>
<u>ST109062</u>	<u>2019/11/12</u>	<u>Notice of Assignment of Rents General</u>		<u>OEM Automotive Cornwall Inc.</u>	<u>Bank of Montreal</u>
<u>ST109067</u>	<u>2019/11/12</u>	<u>Charge</u>	<u>\$1,000,000</u>	<u>OEM Automotive Cornwall Inc.</u>	<u>Macdonell, Glenn Joseph</u>
<u>ST149429</u>	<u>2024/01/19</u>	<u>Application to Register Court Order</u>		<u>Ontario Superior Court of Justice</u>	<u>BDO Canada Limited</u>

(2) PIN 60180 - 0282 (LT) (municipally known as 632 Pitt Street, Cornwall, Ontario)

<u>Reg. No.</u>	<u>Date</u>	<u>Instrument Type</u>	<u>Amount</u>	<u>Parties From</u>	<u>Parties To</u>
<u>ST109063</u>	<u>2019/11/12</u>	<u>Transfer</u>	<u>\$1,378,270</u>	<u>Macdonell, Michael Allan / Macdonell, Glenn Joseph</u>	<u>OEM Automotive Holdings Inc.</u>
<u>ST109064</u>	<u>2019/11/12</u>	<u>Charge</u>	<u>\$1,040,000</u>	<u>OEM Automotive Holdings Inc.</u>	<u>Bank of Montreal</u>
<u>ST109065</u>	<u>2019/11/12</u>	<u>Notice of Assignment of Rents General</u>		<u>OEM Automotive Holdings Inc.</u>	<u>Bank of Montreal</u>
<u>ST109066</u>	<u>2019/11/12</u>	<u>Charge</u>	<u>\$1,000,000</u>	<u>OEM Automotive Holdings Inc.</u>	<u>Macdonell, Glenn Joseph</u>
<u>ST149429</u>	<u>2024/01/19</u>	<u>Application to Register Court Order</u>		<u>Ontario Superior Court of Justice</u>	<u>BDO Canada Limited</u>

SCHEDULE “D”
PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS

(1) PIN 60180 - 0067 (LT) (municipally known as 628 Pitt Street, Cornwall, Ontario)

<u>Reg. No.</u>	<u>Date</u>	<u>Instrument Type</u>	<u>Amount</u>	<u>Parties From</u>	<u>Parties To</u>
<u>PLCornwall1</u>	<u>1847/10/01</u>	<u>Plan Subdivision</u>			
<u>52R2252</u>	<u>1984/08/22</u>	<u>Plan Reference</u>			

(2) PIN 60180 - 0282 (LT) (municipally known as 632 Pitt Street, Cornwall, Ontario)

<u>Reg. No.</u>	<u>Date</u>	<u>Instrument Type</u>	<u>Amount</u>	<u>Parties From</u>	<u>Parties To</u>
<u>52R4375</u>	<u>1991/09/10</u>	<u>Plan Reference</u>			

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF OEM AUTOMOTIVE SOLUTIONS
INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM AUTOMOTIVE HOLDINGS INC.

Court File No. BK-33-03025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

Proceedings commenced at Ottawa

APPROVAL AND VESTING ORDER

FOGLER, RUBINOFF LLP

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Vern W. DaRe (LSO# 32591E)

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Fax: 416.941.8852
Email: vdare@foglers.com

Lawyers for the Proposal Trustee

TAB 6

District of Ontario
 Division No. 12 - Ottawa
 Court File No. BK-33-03025642
 Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

THE HONOURABLE)	WEDNESDAY, THE 3 RD
)	
JUSTICE KERSHMAN)	DAY OF APRIL, 2024

IN THE MATTER OF THE BANKRUPTCY AND
 INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION
 TO MAKE A PROPOSAL OF OEM AUTOMOTIVE
 SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC.
 AND OEM AUTOMOTIVE HOLDINGS INC.

ANCILLARY ORDER

THIS MOTION, made by BDO Canada Limited, in its capacity as proposal trustee (in such capacity, the “**Proposal Trustee**”) of OEM Automotive Solutions Inc. (“**Solutions**”), OEM Automotive Cornwall Inc. (“**Cornwall**”) and OEM Automotive Holdings Inc. (“**Holdings**”, and collectively with Solutions and Cornwall, the “**Companies**”), pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the “**BIA**”), for an ancillary order (this “**Order**”), among other things:

- (a) if necessary, abridging the time for service and filing of the notice of motion and the motion record or, in the alternative, dispensing with the same;
- (b) extending the time for the Companies to file proposals under section 50.4(9) of the BIA to and including May 29, 2024;

(c) approving the third report of the Proposal Trustee in the Companies' BIA proposal proceedings (collectively, the "**Proposal Proceedings**"), dated March 27, 2024 (the "**Third Report**"), and approving the activities of the Proposal Trustee described in the Third Report;

(d) approving the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Third Report and the fee affidavits appended to the Third Report (the "**Fee Affidavits**"), and

(e) approving the sealing of certain confidential documents appended to the Proposal Trustee's Confidential Supplementary Report dated March 27, 2024 (the "**Confidential Supplementary Report**"),

was heard by this Honourable Court (the "**Court**") on this day by way of judicial video conference in Ottawa, Ontario.

ON READING the Third Report, the Confidential Supplementary Report and the Fee Affidavits of the Proposal Trustee and its counsel, and on hearing the submissions of counsel for the Proposal Trustee, counsel for the Companies, counsel for the Bank of Montreal (as senior secured creditor and interim lender), counsel to and the other parties listed on the participant information form, no one else appearing although properly served as appears from the affidavit of Michelle Pham, sworn March 28, 2024, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

EXTENSION OF TIME

2. **THIS COURT ORDERS** that the time for the filing of proposals by the Companies is hereby extended in accordance with section 50.4(9) of the BIA up to and including May 29, 2024.

APPROVAL OF THIRD REPORT, ACTIONS & FEES

3. **THIS COURT ORDERS** that the Third Report and the actions, activities and conduct of the Proposal Trustee described therein be and are hereby approved; provided, however, that only the Proposal Trustee, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

4. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Third Report and the Fee Affidavits be and are hereby taxed and approved.

SEALING CONFIDENTIAL DOCUMENTS

5. **THIS COURT ORDERS** the sealing of the confidential documents appended to the Confidential Supplementary Report until completion of the Transaction described in the Third Report, or further order of this Court.

GENERAL

6. **THIS COURT ORDERS** that this Order is effective as of 12:01 a.m. from today's date and is enforceable without the need for entry and filing.

THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.**

Court File No. BK-33-03025642
Bankruptcy Estate File No. 33-3025642

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)**

Proceedings commenced at Ottawa

ANCILLARY ORDER

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in its capacity as the Proposal Trustee

THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

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ONTARIO
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Proceedings commenced at Ottawa

MOTION RECORD
(RETURNABLE APRIL 3, 2024)

FOGLER, RUBINOFF LLP

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