



District of British Columbia (Yale)  
Division No. 04 - Vernon  
Court No. 56401  
Estate No. 11-2627555

IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE PROPOSAL OF  
KAMLOOPS CHRYSLER DODGE JEEP RAM LTD.

**ORDER MADE AFTER APPLICATION  
(APPROVAL AND VESTING ORDER)**

BEFORE ) The Honourable Madam Justice Devlin ) September 3, 2020

ON THE APPLICATION of Kamloops Chrysler Dodge Jeep Ram Ltd. (the "**Company**"), coming on for hearing by way of telephone at Vernon Law Court, British Columbia on September 3, 2020 AND ON HEARING Joseph Romanoski, counsel for the Company, and Jeremy West, counsel for McEown & Associates Ltd. in its capacity as Proposal Trustee (the "**Trustee**"), and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed, including the 7<sup>th</sup> Affidavit of Guy Lemieux made on September 2, 2020 (the "**Affidavit**"), and the Trustee's Report on the Application to Approve Sale of the Dealership dated August 28, 2020; AND UPON BEING ADVISED that any secured creditors who are likely to be affected by this Order were given notice;

THIS COURT ORDERS AND DECLARES that:

1. The time for service of the Notice of Application is hereby abridged such that the Notice of Application is properly returnable today;
2. The sale transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement dated August 14, 2020 as amended August 31, 2020 (the "**Inventory APA**") between the Company and 1261441 B.C. Ltd. (the "**Purchaser**", and together with the Company, the "**Parties**"), copies of which are attached as **Exhibit "A"** and **Exhibit "B"** to the Affidavit, is hereby authorized and approved, and the Inventory APA is commercially reasonable. The execution of the Inventory APA by the Company is hereby authorized and approved and the Company is 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 to the Purchaser of the assets described in the Inventory APA (the "**Purchased Assets**"), including the execution of ancillary documents.

3. Upon delivery by the Trustee to the Purchaser of a certificate substantially in the form attached as **Schedule "B"** hereto, the (the "**Trustee's Certificate**"), all of the Company's right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, 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) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia 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"** hereto), 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. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (the "**Proceeds**") shall stand in the place and stead of the Purchased Assets, and from and after the Closing Date, all Claims against the Purchased Assets shall attach to the 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 had possession or control immediately prior to the sale.
5. The Trustee is to file with the Court a copy of the Trustee's Certificate forthwith after the respective delivery thereof.
6. The Proceeds shall be remitted to the Trustee and the Trustee is hereby authorized and directed to, in consultation with the Company, disburse from the Proceeds on the day of filing the Trustee's Certificate, or as soon thereafter as practicable, on behalf of the Company (collectively, the "**Distributions**"):
  - (a) an amount not exceeding \$160,000 in respect of the Company's obligations owing under or arising from the Inventory APA as closing costs and/or brokerage fees (the "**Closing Obligations**"),and shall hold the balance in accordance with paragraph 4 herein.
7. Pursuant to Section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act of British Columbia*, the Company is hereby authorized and permitted (but not directed) to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Company's past and current employees, including personal information of those employees listed in Schedule 7 to the Inventory APA. 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 Company.
8. Subject to the terms of the Inventory APA, possession of the Purchased Assets shall be delivered by the Company to the Purchaser upon the delivery of the Trustee's Certificate as contemplated in

paragraph 3 hereof, subject to any Permitted Encumbrances as set out in the Inventory APA and listed on **Schedule "D"**.

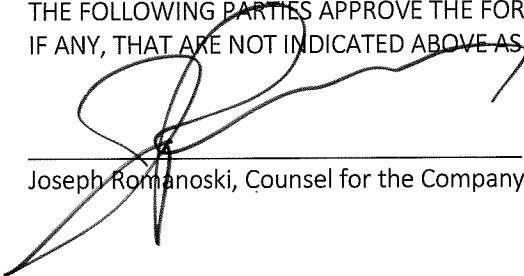
9. The Company, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further order of this Court, provided however that the Closing Date shall not be extended beyond September 9, 2020 without the prior written consent of BNS and Roynat;
10. Notwithstanding:
  - (a) these proceedings;
  - (b) any applications for a bankruptcy order in respect of the Company now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
  - (c) any assignment in bankruptcy made by or in respect of the Company,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Company and shall not be void or voidable by creditors of the Company, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* 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.

11. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Company, the Purchaser and their 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 Company, the Purchaser and their agents as may be necessary or desirable to give effect to this Order or to assist the Company, the Purchaser and their agents in carrying out the terms of this Order.
12. The Company or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

13. Endorsement of this Order by counsel appearing on this application, other than counsel for the Company, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE NOT INDICATED ABOVE AS BEING BY CONSENT:



\_\_\_\_\_  
Joseph Romanoski, Counsel for the Company

By the Court.

\_\_\_\_\_  
Registrar

**SCHEDULE "A"**

**List of Counsel**

<b>Name of Counsel</b>	<b>Party</b>
Vicki Tickle	The Bank of Nova Scotia and Roynat
Jeremy West	The Proposal Trustee, McEown & Associates Ltd.

**Schedule "B"**

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**TRUSTEE'S CERTIFICATE**

1. Pursuant to an Order of the Court dated September 3, 2020 (the "**Approval and Vesting Order**"), the Court approved the Asset Purchase Agreement dated August 14, 2020 as amended on August 31, 2020 (the "**Inventory APA**") between Kamloops Chrysler Dodge Jeep Ram Ltd. (the "**Company**") and 1261441 B.C. Ltd. (the "**Purchaser**", and, collectively with the Company, the "**Parties**"), and ordered that all of the Company's right, title and interest in and to the Purchased Assets (as defined in the Approval and Vesting Order), vest in the Purchaser effective upon the delivery by McEown & Associates Ltd., in its capacity as the Company's Proposal Trustee of this certificate to the Purchaser confirming: (i) payment by the Purchaser and receipt by the Trustee of the Purchase Price in relation to the purchase by the Purchaser of the Purchased Assets; (ii) that the conditions to be complied with at or prior to the Closing as set out in **[Article 9]** of the Inventory APA have been satisfied or waived by the Company or the Purchaser, as applicable; and (iii) the purchase and sale of the Purchased Assets has been completed pursuant to the Inventory APA.

**THE TRUSTEE HEREBY CERTIFIES as follows:**

1. The Purchaser has paid and the Trustee has received the Purchase Price in relation to the purchase by the Purchaser of the Purchased Assets;
2. The conditions to be complied with at or prior to the Closing as set out in **[Article 9]** of the Inventory APA have been satisfied or waived by the Company or the Purchaser, as applicable; and

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3. The purchase and sale of the Purchased Assets has been completed pursuant to the Inventory APA.

DATED at the City of Vancouver, in the Province of British Columbia, this • day of • 2020

**McEown & Associates, in its capacity as  
the Proposal Trustee of the Company and  
not in its personal or corporate capacity**

**BY:**

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**John McEown  
Trustee**

**SCHEDULE "C"**

**Encumbrances to be Discharged**

**[all Encumbrances other than the Permitted Encumbrances on Schedule D]**



**SCHEDULE "D"**

**Permitted Encumbrances**

**None.**