

Price Rite Tires Inc.



**CONFIDENTIAL SALES INFORMATION PACKAGE
REGARDING PRICE RITE TIRES INC.
APRIL 2007**

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Disclaimer and Restrictions

This Confidential Sales Information Package (the “Document”) regarding the business and assets of Price Rite Tires Inc. (“Price Rite” or the “Company”) has been compiled by D. Kwasnicky & Associates Inc. in its capacity as Trustee under the Notice of Intention filed by Price Rite (“DKA” or the “Trustee”). The contents of this document are based on information obtained by the Trustee from the Company’s records and from discussions with the principal of Price Rite. It is provided solely for use by prospective purchasers in considering their interest in acquiring select property and assets of Price Rite (the “Assets”).

The information contained herein has been prepared to assist interested parties in making their own evaluation of the Assets and does not purport to contain all of the information that a prospective purchaser may require. Prospective purchasers should conduct their own investigations and analysis of the Assets and of the information contained in the Document.

The Document includes certain statements with respect to Assets owned by Price Rite. No representation is made by the Trustee as to the accuracy of such statements. We specifically note that the Trustee has not independently verified any of the information contained herein.

The Document is for the confidential use of the recipient, in order to provide background information concerning the Assets.

The Trustee provides no representation or warranty as to the accuracy or completeness of the Document and shall have no liability for any representations (expressed or implied) contained in, or for any omissions from, the Document or for any other written or oral communications transmitted to prospective purchasers in the course of their evaluation of the Assets.

The information in the Document is confidential and must not be copied, reproduced, or distributed to others at any time except for the purpose of analysis by employees and advisors of the recipient.

Divestiture Process

Appointment of Trustee

D. Kwasnicky & Associates Inc. was appointed Trustee in re the Notice of Intention of Price Rite Tires Inc. on April 23, 2007. We are monitoring the sale of the Company and/or its assets our capacity as Trustee.

Background

Price Rite Tires Inc. was incorporated in British Columbia on April 1, 1987 in the tire sales and installation business. Ms. Euphemia Wiebe inherited the business from her spouse on January 28, 2006.

The business has always been located in Richmond, BC near the intersections of Bridgeport and No. 5 Roads. This is an industrial area close to the Knight Street exit.

Assets for Sale

The assets included for sale in this information package have been broken down into six lots:

- Lot 1: Inventory;
- Lot 2: Shop equipment and tools;
- Lot 3: Mobile Equipment;
- Lot 4: Office furniture and equipment;
- Lot 5: Company name and customer list; and,
- Lot 6: Leased premises (provided for information only).

Lot 1

Lot 1 consists of tires, retreads, casings, used tires and miscellaneous inventory items which at April 19, 2007 were:

▪ Truck tires	140 @ 270	\$ 37,000
▪ Trailer tires	40 @ 120	5,000
▪ Retreads	120 @ 220	26,000
▪ Passenger tires	750 @ 60	45,000
▪ Casings & used tires		15,000
▪ Miscellaneous rims, tubes, & parts		<u>30,000</u>
		\$158,000

Lot 2

Lot 2 consists of shop equipment and tools as listed in Appendix A. Photographs of certain items in Lot 2 are included in Appendices D, E, and F.

Lot 3

Lot 3 consists of Mobile Equipment as listed in Appendix B. Photographs of certain items in Lot 3 are included in Appendices G and H.

Lot 4

Lot 4 consists of office furniture and related equipment as listed in Appendix C.

Lot 5

Lot 5 consists of the Company name, Price Rite Tires, and the customer list. The company has been in operation in the same locality since its incorporation in 1987 so has a well established customer base. At April 30, 2007, there were approximately 150 customers with an average balance of \$1,170. The bad debt ratio for the Company has averaged 1% for the prior 5 years (2002 to 2006).

Lot 6

Lot 6 consists of the leased premises. The 8,678 square foot premises are leased on a month-to-month basis from Ardic Developments Ltd. The base rent is currently at \$4.75 per square foot with additional costs of approximately \$2,117 per month, including power and gas consumption.

We understand there has never been a formal written lease agreement. The landlord invoices the Company monthly. Potential purchasers interested in the premises should contact Ardic Developments Ltd. directly via mail at 5213 Pandora Street, Burnaby, BC or telephone at 778-838-9668 or 604-270-1121.

Contact information

All contacts by a prospective purchaser are to be made directly with the following representative of DKA:

Ms. Debora Kwasnicky
211 – 3030 Lincoln Avenue
Coquitlam BC V3J 5W4
Telephone: (604) 464-7272
Facsimile: (604) 474-7273
Email: dkwasnicky@dkabc.ca

Any written communications from a prospective purchaser should be marked on the envelope as **Strictly Private and Confidential** for the attention of the designated representative noted above.

No finder's fee, commission expenses or other compensation will be paid by DKA to consultants, advisors or other intermediaries of any prospective purchaser under any circumstances.

Terms and Conditions of Sale

1. Price Rite Tires Inc., (the “Vendor”) will consider written offers to purchase its right, title and interest in the following assets:

Lot 1: Inventory;

Lot 2: Shop equipment and tools;

Lot 3: Mobile Equipment;

Lot 4: Office furniture and equipment;

Lot 5: Company name and customer list; and,

Lot 6: Leased premises (for information purposes only).

2. Each offer must be submitted in writing to D. Kwasnicky & Associates Inc. in a sealed enveloped marked “DO NOT OPEN – OFFER – PRICE RITE TIRES INC.” Offers will be received until 12:00 noon (PST) on May 22, 2007 at the address noted below:

D. Kwasnicky & Associates Inc.

211 – 3030 Lincoln Avenue

Coquitlam BC V3B 6B4

Attention: Debora Kwasnicky

Fax: (604) 464-7272

Telephone: (604) 464-7273

3. All offers shall be in writing, signed by the duly authorized officer(s) of the entity making the offer (the “Party” or the “Offeror”) and in the form prescribed by the undersigned.
4. In respect of each purchase, the offer and acceptance thereof, together with the Terms and Conditions of Sale, which shall be deemed to form part of such offer, shall constitute a binding agreement of purchase and sale.
5. All offers must be accompanied by a bank draft drawn by or certified cheque drawn on a Canadian chartered bank payable to “D. Kwasnicky & Associates Inc. – In trust” for an amount not less than 15% of the total gross purchase price offered. If the offer is accepted this amount shall be deemed a cash deposit (the “Deposit”) and the successful offeror for the parcel or parcels in question (the “Purchaser”) shall complete an Agreement of Purchase and Sale in respect of such parcel described in paragraph 20. The closing of each Agreement of Purchase and Sale shall take place at the Offices of D. Kwasnicky & Associates Inc., or at such

other place as maybe mutually agreed upon between the Vendor and Purchaser.

6. Cheques or drafts accompanying offers that are not accepted by the Vendor shall be returned to the Party by either personal delivery or by prepaid registered mail addressed to the Party at the address set forth in its offer within ten days of the acceptance of an offer, without interest thereon.
7. Offers must be made for one or more lots. **Offers submitted for more than one lot must specifically allocate a separate price to each lot and will be considered a separate offer for each lot unless otherwise indicated. “En Bloc” offers must be so identified and allocate a specific price to each parcel included in the offer.**
8. The highest or any offer shall not necessarily be accepted. In addition, the Vendor reserves the right to accept any offer prior to May 22, 2007 without notice to any other parties. Offers received by the Vendor that do not strictly comply with paragraphs 2, 3, 5 and 7 or which contain proposals to vary, amend or supplement the Terms and Conditions of Sale may in the absolute discretion of the Vendor be rejected for that reason alone or alternatively may be accepted. Before or after the opening of and acceptance of offers, the Vendor may in its sole discretion negotiate with any Party for changes in that Party’s offer. The Vendor shall not be obliged to negotiate with any Party or to give any Party an opportunity to resubmit an offer, whether or not the Vendor negotiates with another Party or Parties. Upon receipt by the Vendor of an offer, the Party submitting the offer shall not be entitled to retract, withdraw, revoke, vary or countermand the Offer and such offer shall be irrevocable prior to acceptance or rejection thereof by the Vendor.
9. If any offer is accepted, the Vendor shall notify the successful Purchaser on or before the close of business on May 30, 2007 by notice in writing to the address as set forth in the offer.
10. Listings and descriptions of the assets contained herein have been prepared solely for the convenience of prospective Offerors and are not warranted to be complete or accurate and are not part of the Terms and Conditions of Sale. The descriptions of the Assets contained in the annexed schedules are for the purposes of identification only and no condition, warranty or representation has been or will be given by the Vendor concerning the accuracy, completeness or any other matter concerning those descriptions.



11. All offers will be accepted on the basis that the Offeror has inspected the assets, that it has relied entirely on its own inspection and investigations, and that it is purchasing the Vendor's right, title and interest, if any, in the Assets on an **"as is, where is"** basis. The Vendor expressly excludes and disclaims from any such sale arrangement, any and all warranties, conditions, undertakings and representations as to title, encumbrances, description, quality, quantity, cost, condition, merchantability, assignability, size and fitness for a particular purpose or as to any other matter whatsoever. Without limiting the generality of the foregoing, no condition, warrants or representation provided for or implied by the *Sale of Goods Act* has been or will be given by the Vendor and the Purchaser expressly waives all such express or implied conditions, warranties and representations. Furthermore, the Purchaser agrees to accept the Vendor's right, title and interest, if any, in the Assets, and acknowledges that it shall be the Purchaser's own and sole responsibility to obtain and pay the cost of any consents, permits, licenses or other authorizations necessary or desirable for the transfer of such right, title and interest, if any, to the Purchaser or for the operation or use of the Assets.
12. The Vendor reserves the right, at any time, to withdraw from the assets listed in the Document, any items where the Vendor obtains evidence that these items may not be assets of Price Rite Tires Inc. Adjustments of offers received will be negotiated upon withdrawal of any such item.
13. The Vendor shall not be required to produce any abstract of title, title deeds or documents or copies thereof or any evidence as to title, other than those in its possession.
14. Each Purchaser shall make such investigations and searches at its own expense as such Purchaser and its solicitors may deem necessary with respect to the Vendor's right, title and interest, if any, in the Assets and the existence of any liens, mortgages, charges, security interests, pledges or encumbrances against the Assets having priority over the Vendor's right, title and interest, if any, therein.
15. The offer and acceptance thereof, together with these Conditions of Sale, shall constitute the agreement of purchase and sale between the Offeror and the Vendor.
16. The Assets shall be and remain at the risk of the Vendor as its interest may appear until closing. From and after the time of closing, the Assets shall be at the risk of the Purchaser.



17. If any Purchaser fails to comply with any term or condition of the Agreement of Purchase and Sale, the Deposit and all other payments made to the Vendor shall be forfeited on account of liquidated damages, without prejudice to any of the Vendor's remedies and the Assets may be sold or resold by the Vendor in such manner and on such terms and conditions as the Vendor in its sole discretion determines, and the deficiency, if any, on any sale or resale, together with all charges attending the same or occasioned by the defaulting Purchaser shall be paid forthwith upon demand by such Purchaser to the Vendor.
18. Upon acceptance of the Offer by the Vendor, to be acknowledged in writing, the Purchaser shall pay to the Vendor the following by way of a certified cheque drawn on or a draft drawn by a Canadian Chartered Bank:
 - (a) The balance of the purchase price, after crediting the amount of the Deposit; and,
 - (b) All applicable federal and provincial taxes exigible in connection with the Agreement of Purchase and Sale, including without limitation, GST and provincial retail sales tax.
19. The closing date for the purchase and sale will be at the discretion of the Vendor, and will be no later than fourteen days after acceptance of the successful offer or such other date as agreed upon in writing between the Vendor and the successful Offeror.
20. The Vendor's right, title and interest in the Assets shall not pass to the Purchaser until the purchase price, and all other payments (including the taxes referred to in 18(b) to be made by the Purchaser pursuant to the Agreement of Purchase and Sale) have been paid in full and the Purchaser shall have complied with all the Purchaser's covenants therein contained.
21. The Vendor may in its sole discretion waive any and all of the terms and conditions in these Terms and Conditions of Sale.

22. Any Agreement of Purchase and Sale entered into by the Vendor is in its sole capacity as owner and the Vendor and/or D. Kwasnicky & Associates Inc. shall incur no personal or corporate liability as a result of its entering into any such agreement or performing or failing to perform any of its obligations thereunder.
23. The Vendor shall not be required to pay any commission with respect to any sale pursuant thereto.
24. All purchases must be removed by June 15, 2007 or some other time as mutually agreeable between the parties.

Dated at Vancouver, this 30th day of April, 2007.

D. Kwasnicky & Associates Inc., in its sole capacity as
Trustee in re the Notice of Intention of Price Rite Tires Inc.
211 – 3030 Lincoln Avenue
Coquitlam BC V3J 5W4

Appendix A

SHOP EQUIPMENT & TOOLS

- 1 - Bend Pak 4-post alignment 12,000 lb. capacity hoist
- 1 - Bee line and Mclaughlin LC4000 laser's edge front-end alignment machine (S/N 860014)
- 1 - Corghi Artiglio Master tire changer (S/N 020912273)
- 1 - Corghi tire changer w/run flat (S/N 1040410595)
- 2 - Hofmann tire changers
 - 1 - Hofmann Geodyna truck wheel balancing machine (new part ordered)
 - 1 - Hofmann Geodyna 40 tire balancing machine
 - 1 - Hofmann Geodyna 20 tire balancing machine
- 3 - Branick tire spreaders
 - 1 - Craftsman 6' bench grinder Model 257
 - 1 - Lot of 6 hydraulic bottle jacks
 - 1 - Horizontal tank mounted 2-cylinder air compressor with DevilBiss air dryer, 3' x 6' receiver, air header, pipe and fittings
 - 1 - Century battery charger
 - 1 - Schumacher automotive jump starter
 - 7 - 2-ton floor jacks
 - 2 - 5-ton floor jacks
 - 7 - 20-ton air jacks
 - 7 - pneumatic floor jacks
 - 1 - Oxy -acetylene cutter c/with gauges, fittings and 20' of hose
 - 1 - H-frame hydraulic press
 - 1 - Model MBG-8 GEL 8' table mounted grinder

Shop Equipment and Tools cont'd

- 1 - Lot of 601 - 10' high x 20' deep metal pipe tire and wheel storage rack
- 1 - Lot of 25' of 7'2" x 4' deep metal pipe tire and wheel storage rack
- 1 - Lot of 17' of 7' x 2' deep metal pipe tire and wheel storage rack
- 1 - 18' wide x 12' high x 2' deep adjustable metal tire and wheel storage rack
- 1 - 8' wide x 5' high x 2' deep adjustable metal tire and wheel storage rack
- 1 - 18' long x 7' high x 1' deep wood frame with carpet wheel display shelving
- 37 - 5' x 7' high 2-tier caster used tire display racks
- 1 - 4' x 2'6" x 30" high metal work table with shelf
- 1 - 4' x 42" x 38" high caster metal table with wood top
- 1 - 3' x 4' x 3' high metal work table with shelf
- 1 - Lot of 2 tire inflation safety cages
- 1 - Four way air blaster / bead seater
- 1 - 1" pneumatic wrench
- 1 - 1/2" pneumatic impact wrench
- 3 - 3/4" 6500' torque wrenches
- 1 - Lot of impact wrench sockets
- 1 - Jet Air pneumatic disc grinder
- 1 - Hitachi electric disc grinder
- 1 - Makita cordless drill
- 1 - 1,000' air hose (approximate)
- 18 - prybars
- 8 - prybars
- 4 - wheel puller clamps
- 2 - sledge hammers
- 7 - dry chemical fire extinguishers



Shop Equipment & Tools cont'd

- 2 – Jack stands
- 2 - bead hammers
- 3 - Halogen lamps
- 1 - 6 drawer tool chest with miscellaneous tools
- 1 - 7' aluminum ladder
- 1 - 6' wood step ladder
- 1 - Bolt cutter
- 2 - Jump cables
- 1 - Funnel and castered used motor oil drain bin
- 1 - Tire dolly
- 1 - Fuel drum pump and hoses
- 1 - Rilfit tire regroover
- 2 - Air blaster/bead seaters



Appendix B

MOBILE EQUIPMENT

- 1 - 1992 Red/white Ford F350 dual-axle flatbed service truck c/w portable air compressor, tool box with miscellaneous tools and impact gun (new motor in 2005)
- 1 - 1995 White Ford F150 4 x 4 regular cab pick-up truck
- 1 - Hyster H80 8,000 lb capacity propane forklift (S/N 9924)
- 1 - 48' dual axle freight trailer
- 1 - 40' metal shipping/storage canister



Appendix C

OFFICE FURNITURE & EQUIPMENT

- 1 - Lot of 5 smart talk 308 telephone handsets
- 2 - HP Pentium IV or equivalent PCs with keyboard, monitor and mouse
- 1 - Pentium IV PC with monitor, mouse and keyboard
- 1 - Konica Minolta Model 1611 Bizhub 161f all-in-one laser printer (S/N 50003571)
- 1 - HP laser 1000 series printer
- 1 - HP Officejet 5610 all-in-one printer (S/N CN624DF4QH)
- 1 - Brother Intellifax 775 fax machine
- 1 - Minolta counter top fax machine
- 1 - Optimus 40-watt PA amplifier Model MPA-50
- 4 - speakers
- 1 - Optimum IMP-5000 microphone
- 1 - Drop-off dial safe
- 1 - Kenmore Powermate vacuum
- 1 - Danby domestic microwave
- 1 - Panasonic domestic microwave
- 1 - Danby DCR34W under counter fridge
- 1 - Diplomat under counter fridge
- 1 - Water Maxx water cooler with 18.9L bottle
- 1 - Toshiba 27" TV (S/N S7482756)
- 9 - steno chairs
- 8 – vinyl metal frame chairs
- 2 - 4' x 2'6" x 2'6" plastic laminate desks
- 1 - Wood coffee table



Office furniture & equipment cont'd

- 4 - metal lateral filing cabinets
- 4 – 2-drawer metal filing cabinets
- 7 – 4-drawer metal filing cabinets
- 1 - 2 drawer vertical filing cabinet
- 1 - 4 drawer vertical filing cabinet
- 1 - 5 drawer vertical filing cabinet
- 1 - 3' x 5' keyhole steel credenza with wood top
- 1 - 32".x 5' steel keyhole credenza
- 1 - Metal Keyhole credenza
- 2 - 18" domestic oscillating fans
- 1 - Paper shredder
- 1 - Time Master TC100 electronic time clock
- 1 - 8' wide x 2' deep x 38" high plastic laminate counter with open shelving
- 2 - 6' wide x 1'6" deep x 2'6" high steel frame credenza with plastic laminate top
- 1 - 4' wide x 1'6" deep x 3'6" high miscellaneous nuts and bolts shelving unit
- 4 - metal frame with fabric seat and back nesting chairs
- 1 - 4' wide x 2' deep x 32" high steel frame with plastic laminate top table
- 1 - 3'6" x 2'6" steel frame table with plastic; laminate top
- 1 - 8' wide x 1' deep x 7' high plastic laminate wall mounted cupboard and shelving unit

Other

New children's unassembled pine furniture taken on a bad debt (57 tables, 24 long benches and 200 stools)

Appendix D

Bend Pak 4-post 12,000 pound hoist



Appendix E

Bee Line and Mclaughlin LC400 laser's edge front-end alignment machine



Appendix F

Corghi tire changers



Appendix G

Dual-axle freight trailer and metal shipping/storage cannister



Appendix H

Hyster H80 8,000 lb capacity propane forklift

