



**Second Report to Court of
KSV Restructuring Inc. as Proposal
Trustee of Allied Track Services Inc.**

March 9, 2021

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COURT FILE NO.: 32-2705503

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
ALLIED TRACK SERVICES INC.,
A CORPORATION INCORPORATED UNDER THE LAWS
OF ONTARIO

SECOND REPORT OF KSV RESTRUCTURING INC. AS PROPOSAL TRUSTEE OF
ALLIED TRACK SERVICES INC.

MARCH 9, 2021

1.0 Introduction

1. This report (the "Report") is filed by KSV Restructuring Inc. ("KSV") in its capacity as proposal trustee (the "Proposal Trustee") in connection with a Notice of Intention to Make a Proposal ("NOI") filed by Allied Track Services Inc. ("Allied" or the "Company") on January 21, 2021 pursuant to subsection 50.4(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "BIA").
2. The principal purpose of the Company's restructuring proceedings is to create a stabilized environment to allow the Company to enter a transaction for the sale of its business and assets (the "Allied Business").
3. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") issued January 22, 2021 (the "January 22 Order"), among other things:
 - a. a sale and investment solicitation process (the "SISP") and related bid and auction procedures were approved;
 - b. a Stalking Horse Asset Purchase Agreement dated January 21, 2021 (the "APA") with 2806401 Ontario Inc. (the "Purchaser"), an entity related to Bridging Finance Inc. (the "Agent"), the Company's principal secured creditor, was approved, solely for the purpose of acting as the stalking horse bidder in the SISP;
 - c. the deadline to file a proposal and the corresponding stay of proceedings was extended to April 6, 2021; and

- d. an Administration Charge (up to the maximum amount of (\$500,000), DIP Lender's Charge (up to the maximum amount of \$3,000,000), and Directors' Charge (up to the maximum amount of \$1,500,000) were granted (each as defined in the January 22 Order).

A copy of the January 22 Order is attached as Appendix "A".

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) summarize the results of the SISP;
 - b) summarize a proposed transaction (the "Transaction") between the Company and the Purchaser, for the sale of substantially all of the Company's assets, operations and undertakings pursuant to the APA;
 - c) report on the Company's cash flow projection for the period March 8, 2021 to May 21, 2021 (the "Cash Flow Forecast");
 - d) provide the Court with an update on the Company's and the Proposal Trustee's activities during these proceedings;
 - e) discuss the rationale for authorizing the Proposal Trustee to file an assignment in bankruptcy on behalf of the Company;
 - f) recommend that the Court issue orders:
 - approving the Transaction and vesting title in and to the purchased assets described in the APA in the Purchaser, or as it may direct, free and clear of all liens, claims and encumbrances, upon the Proposal Trustee filing a certificate confirming, among other things, the completion of the Transaction;
 - approving the Proposal Trustee's activities as set out in this Report and the First Report of the Trustee dated January 21, 2021 (the "First Report");
 - extending the deadline for the Company to file a proposal from April 6, 2021 to May 21, 2021, as well as extending the stay of proceedings through to and including such date; and
 - empowering and authorizing the Proposal Trustee to file an assignment in bankruptcy on behalf of the Company, and appointing KSV as the trustee in bankruptcy in respect of same.

1.2 Restrictions

1. In preparing this Report, the Proposal Trustee has relied upon unaudited financial information prepared by the Company, the Company's books and records and discussions with the Company's management. The Proposal Trustee has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.
2. The Proposal Trustee expresses no opinion or other level of assurance with respect to the financial information presented in this Report or relied upon by the Proposal Trustee in preparing this Report. Any party wishing to place reliance on the Company's financial information should perform its own diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.
3. An examination of the Cash Flow Forecast as outlined in the *Chartered Professional Accountants Canada Handbook* has not been performed. Future oriented financial information relied upon in this Report is based upon the Company's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.
4. References in this Report to the impact of COVID-19 on the Company are based on preliminary enquiries and assumptions using available data. Consumer, supply chain, governmental and other macro-economic factors related to COVID-19 will affect the Company and such changes may be material. The full impact of COVID-19 is unknown and cannot be qualitatively or quantitatively assessed at this time.

1.3 Currency

1. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

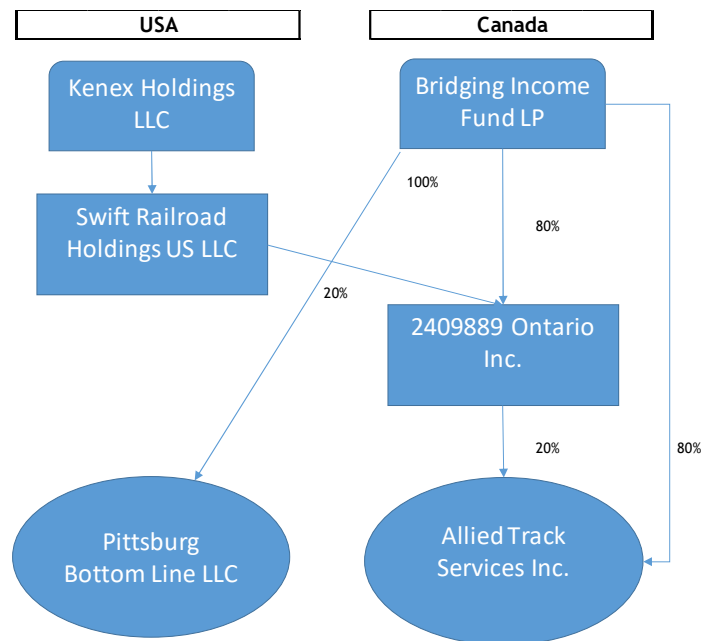
1.4 Court Materials

1. Court materials filed in these proceedings, including copies of affidavits of Andrew Stuart Jones, the Company's Chief Executive Officer, sworn on January 21, 2021 and March 8, 2021, can be found on the Proposal Trustee's website at <https://www.ksvadvisory.com/insolvency-cases/case/allied-track-services>.

2.0 Background

1. The Company was founded in Ontario in 1987 and is a railroad maintenance service provider, offering an array of services including track maintenance and repair, construction, bridging, civil engineering, flagging, signalling and related services.
2. The Company leases its head office in Grimsby, Ontario. The Company also operates from leased locations in Nipissing, Ontario, Calgary, Alberta, Springfield, Manitoba and Kamloops, British Columbia.

- The Company is 80% owned by Bridging Income Fund LP and 20% owned by 2409889 Ontario Inc. ("240"). Bridging Income Fund LP owns 80% of 240 and, as a result, directly and indirectly, owns 96% of the shares of the Company. A copy of the Company's organizational chart is below:



- In 2017, Bridging Income Fund LP acquired Pittsburg Bottom Line LLC ("Bottom Line"), a Texas-based rail bridge contractor to compliment the Company's services and offerings. Bottom Line is an affiliate of the Company.
- 240, Swift Railroad Holdings US LLC ("Swift") and Bottom Line are all guarantors of the Company's obligations owing to the Agent. None of the guarantors are a party to these proceedings, and no insolvency proceedings have been initiated in respect of Swift or Bottom Line in the USA.
- The Company's employee base fluctuates seasonally. At the commencement of these proceedings, the Company employed 27 salaried full-time employees and 20 hourly, part-time employees. The majority of the Company's employees are in Ontario. The Company's British Columbia, Manitoba, Ontario, Saskatchewan and Alberta based part-time employees are unionized, while all others are non-unionized.
- The Company's operations are generally comprised of two divisions: track maintenance and signalling. The track maintenance division has incurred significant losses, which has led to the Company being unable to satisfy its obligations, including to the Agent.

3.0 SISP

3.1 Marketing Process

1. In accordance with the January 22 Order, Bottom Line's business and assets were marketed concurrently with the Allied Business through the SISP. Prospective purchasers interested in acquiring the Allied Business and Bottom Line business were required to provide a purchase price allocation between Allied's and Bottom Line's business and assets.
2. A summary of the activities undertaken in the SISP is as follows:
 - a) following the issuance of the January 22 Order, the Proposal Trustee distributed an interest solicitation letter to potential purchasers and investors detailing the acquisition opportunity ("Teaser");
 - b) the Teaser was sent to 106 prospective purchasers, comprised of Canadian and US operators, financial groups and other strategic parties;
 - c) included with the Teaser was a form of confidentiality agreement ("CA") that interested parties were required to execute in order to obtain access to an online data room that was managed by the Proposal Trustee. Parties that signed the CA also were provided with a Confidential Information Memorandum prepared by the Proposal Trustee providing additional details about the SISP opportunity;
 - d) the data room contained historical and projected financial information and other relevant information, including real property leases and all material contracts and agreements. A soft copy of the APA was also made available in the data room; and
 - e) the bidding procedures also provided that a "Qualified Bid" must provide for minimum consideration of approximately \$104.8 million, unless otherwise waived by the Proposal Trustee after consultation with Bottom Line, Allied and the Agent.

3.2 Bid Deadline

1. Pursuant to the January 22 Order, the bid deadline was February 24, 2021 (the "Bid Deadline").
2. In order to allow the Proposal Trustee and the Company to compare the offers submitted in the SISP, all interested parties were encouraged to submit offers in the standard form of the template purchase and sale agreement provided by the Company and to blackline any changes made to that form of agreement.

3.3 SISP Results

1. A summary of the results of the SISP is as follows:
 - a) twelve parties executed the CA and were provided access to the data room;
 - b) four parties requested and received management meetings; and

- c) at the time of the Bid Deadline, two non-binding written letters of intent were received by the Proposal Trustee, neither of which provided for consideration in an amount sufficient to satisfy the Agent's secured debt. Despite the requirement in the SISP, no binding offers were received. An additional written offer was submitted seeking to purchase certain of the heavy equipment owned by Allied Track Equipment Company LLC for an amount significantly less than the Agent's secured debt.
2. The Proposal Trustee also received a verbal expression of interest for a potential transaction regarding the Bottom Line business only. However the proposed terms of such transaction were not acceptable to the Agent, and no formal offer was submitted.

3.4 The APA¹

1. A copy of the APA is attached as Appendix "B".
2. The key terms and conditions of the APA are provided below. Readers are encouraged to refer to the APA attached hereto for specific terms and details.
 - **Purchaser:** 2806401 Ontario Inc.;
 - **Purchase Price:** estimated to be \$104.873 million, made up of the following amounts:
 - a) an amount equal to the Bridging Debt (estimated to be \$88.653 million);
 - b) an amount equal to the Installment Contract Debt;
 - c) an amount required to satisfy the Priority Payables;
 - d) an amount equal to the Assumed Liabilities. The Assumed Liabilities include the DIP Facility which is expected to be approximately \$2.7 million as of the Closing Date; and
 - e) an amount required to satisfy the Wind Down Amount (estimated to be \$100,000).
 - **Purchased Assets:** all of the Company's assets used in the Allied Business, other than the Excluded Assets.
 - **Excluded Assets:**
 - a) any contracts, agreements and/or understandings to which the Company is a party other than those contracts that are assigned to the Purchaser; and

¹ Capitalized terms in this section have the meaning provided to them in the Agreement.

- 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, capitalization or existence of the Vendors.
- **Assumed Liabilities:** all of the Company's obligations relating to:
 - a) the Bridging Debt and the Installment Contract Debt;
 - b) the Purchased Assets arising and accruing in respect of the period after the Time of Closing and not related to any default existing at, prior to or as a consequence of Closing;
 - c) the obligations and Liabilities of the Vendor with respect to the Transferred Employees;
 - d) the DIP Facility; and
 - e) any other Liability which the Purchaser agrees in writing to assume on or before the Closing Date.
- **Excluded Liabilities:** other than the Assumed Liabilities and the Contract Assumed Liabilities, the Purchaser shall not assume and shall have no obligation to discharge, perform or fulfill any Liability or obligation of the Vendor or in connection with the Purchased Assets or the Business.
- **Representations and Warranties:** consistent with the standard terms of an insolvency transaction, i.e. on an "as is, where is" basis, with limited representations and warranties.
- **Closing:** the date that is three (3) Business Days after the conditions of Closing are satisfied or waived, or such other date that the Parties, acting reasonably, may mutually agree.
- **Material Conditions:**
 - For the Benefit of both Parties
 - (i) the Approval and Vesting Order in the form appended to the Agreement shall have been issued and entered and shall not have been stayed, amended, modified, reversed or dismissed as at the Closing Date;
 - (ii) no provision of any applicable Law and no judgment, injunction, order or decree that prohibits the consummation of the purchase of the Purchased Assets pursuant to this Agreement shall be in effect; and
 - (iii) no motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the transactions contemplated by the Agreement.

For the Benefit of the Purchaser

- (i) the representations and warranties of the Company contained in the Agreement shall be true and correct as of the Closing Date in all material respects;
- (ii) the Company shall have fulfilled or complied with all covenants contained in the Agreement required to be fulfilled or complied with by it in all material respects at or prior to the Closing Date;
- (iii) the Company shall not be and shall not have become a bankrupt under the BIA;
- (iv) the Company shall have obtained consents from the counterparties to the Consent Required Contracts that have been designated as Assigned Contracts from the counterparties to those agreements and shall have delivered such consents to the Purchaser; and
- (v) the Assignment Order, if requested by the Purchaser, shall have been issued and entered in form and substance satisfactory to the Purchaser.

For the Benefit of the Company

- (i) the representations and warranties of the Purchaser contained in the Agreement shall be true and correct as of the Closing Date in all material respects; and
 - (ii) the Purchaser shall have fulfilled or complied with all covenants contained in the Agreement required to be fulfilled or complied with by it in all material respects at or prior to the Closing Date.
- **Termination:** the Agreement can be terminated:
 - (i) by mutual consent of the Company and the Purchaser;
 - (ii) if any of the conditions in favour of the Purchaser or the Company are not waived or satisfied;
 - (iii) by the Purchaser or the Company if the Approval and Vesting Order, once granted, shall have been amended or modified in a manner adverse to such party, or if it is stayed, reversed, dismissed or ceases to be in full force and effect;
 - (iv) by the Purchaser if the Assignment Order, if requested and once granted, shall have been amended or modified in a manner adverse to the Agent, or if it is stayed, reversed or ceases to be in full force and effect; or
 - (v) automatically if the Closing has not occurred by 11:59 p.m. on the Outside Date.

3.5 Assignment Order

1. The Purchaser has indicated that it requires certain of Allied's material contracts to be assigned to the Purchaser upon Closing. The Purchaser understands it will need to cure any monetary amounts owing in respect of such consent-required contracts for them to be assigned. All counterparties to the contracts that are proposed to be assigned will be served with the motion materials.

3.6 Security Opinion

1. Because the Bridging Debt is being assumed as part of the Transaction, the Proposal Trustee instructed its counsel, Blakes Cassels & Graydon LLP ("Blakes"), to perform a review of the Agent's security to determine its enforceability and validity. As part of its review, Blakes engaged Thompson Dorfman Sweatman LLP ("TDS") to perform a review of the Agent's security in Manitoba. Copies of the Blakes and TDS security opinions are attached hereto as Appendix "C" (the "Security Opinions").
2. As set out in detail in the Security Opinions, Blakes and TDS have concluded that in respect of the provinces of British Columbia, Alberta, Manitoba and Ontario, the Agent holds a valid and enforceable security interest in the personal property of Allied pledged to the Agent, subject to the standard assumptions and qualifications contained in the Security Opinions.
3. The Security Opinions note a typographical error in the General Security Agreement issued by Allied in favour of the Agent, dated March 8, 2017, which typographical error is not material, misleading or sufficient to invalidate the security granted.

3.7 Transaction Recommendation

1. The Proposal Trustee recommends that the Court issue an order approving the Transaction, including the Assignment Order, for the following reasons:
 - a) the SISP was conducted fairly and transparently, in accordance with the terms approved by the Court pursuant to the January 22 Order, including the timelines it established, which allowed multiple parties to perform due diligence. No interested parties requested an extension to the process;
 - b) the book value of the assets of Allied and Bottom Line was approximately \$40.7 million as at December 31, 2020, which is significantly less than the secured debt owing to the Agent;
 - c) the Transaction contemplates the continuation of the Company's operations, which, among other things, will preserve approximately 95 jobs and both customer and supplier relationships;
 - d) the market was widely canvassed during the SISP, pursuant to an open, Court approved process in which good faith efforts were made to sell or otherwise dispose of the assets to any and all interested parties;

- e) no alternative offers superior to the Transaction were received as a result of the SISP, and accordingly the consideration to be received pursuant to the Transaction is superior to the consideration that would be received under any other offer;
- f) absent the Transaction, given the absence of alternative bids, a protracted marketing period would be necessary. The ongoing professional fees and other costs of such a process would erode the recoveries with no certainty that a superior transaction could be completed;
- g) the terms of the APA are commercially reasonable;
- h) based on the information the Proposal Trustee has reviewed, the Purchaser should be able to fulfil the Company's obligations under the Assigned Contracts; and
- i) for the foregoing reasons, the Transaction would be either more beneficial to the creditors of the Company than a sale or disposition under bankruptcy, or in the case of creditors who would receive no distributions under either scenario, the result of the Transaction and the result of a bankruptcy would be the same.

4.0 Company's Request for an Extension

1. The Company's deadline to file a proposal is currently April 6, 2021. The Company is requesting an extension of this deadline until May 21, 2021 so that it can complete the Transaction.
2. The Company is expecting to close the Transaction prior to April 6, 2021, but is requesting the extension as a contingency so that if there are delays in Closing, the Company does not need to incur the costs of returning to Court to request an extension. There are also a number of procedural and administrative tasks that the Company will be required to complete prior to and following the Closing. The requested extension will ensure that the Company is able to complete these tasks under the supervision of the Proposal Trustee.
3. The Proposal Trustee supports the request for an extension of the deadline to file a proposal for the following reasons:
 - a) the Company has been acting, and continues to act, in good faith and with due diligence;
 - b) no creditor will be prejudiced by the extension;
 - c) it will provide additional time to complete the Transaction, should the need arise, and avoid the need for an additional court attendance in such a scenario;
 - d) as of the date of this Report, neither the Company nor the Proposal Trustee is aware of any party opposed to an extension;

- e) the Company is projected to have sufficient liquidity to fund its operations until May 21, 2021; and
- f) while it is unlikely that the Company will file a proposal before the expiry of the extended deadline, or at all, the extension requested will make it more likely that the Company would be able to file a viable proposal once the Transaction has closed.

5.0 Cash Flow Forecast

1. The Company has prepared a cash flow forecast for the period of the requested extension. The Company's Cash Flow Forecast for the period March 8, 2021 to May 21, 2021, together with Management's Report on the Cash Flow Statement, is provided in Appendix "D".
2. The Cash Flow Forecast reflects that the Company will have sufficient liquidity until May 21, 2021. The total commitment under the DIP Facility is \$3 million. The current amount outstanding under the DIP Facility is approximately \$1.6 million. The total amount expected to be drawn under the DIP Facility as of May 21, 2021 is approximately \$2.8 million.
3. Based on the Proposal Trustee's review of the Cash Flow Forecast, there are no material assumptions which seem unreasonable. The Proposal Trustee's Report on the Company's Cash Flow Statement is attached as Appendix "E".

6.0 Bankruptcy

1. Following completion of the Transaction and the transition of Allied's employees and management to the Purchaser, the Company is expected to have no remaining employees, and potentially no directors. It may accordingly become prudent to assign the Company into bankruptcy to facilitate final wind-down steps in accordance with the procedures in the BIA.
2. In the event that a bankruptcy becomes necessary or desirable, and in the event that at such time the Company does not have the ability to assign itself into bankruptcy, it would be more efficient for the Proposal Trustee to initiate the bankruptcy process than waiting until the deadline to file a proposal elapses so that the bankruptcy is deemed to occur.
3. Accordingly, to avoid a further attendance before this Court or force the Company to have to wait-out the deadline to file a proposal, the Proposal Trustee supports the Company's request for an order empowering and authorizing the Proposal Trustee to file an assignment in bankruptcy on behalf of the Company.
4. In the event of a bankruptcy (whether filed proactively by the Company or Proposal Trustee, or occurring automatically due to the failure of the Company to file a proposal), the Proposal Trustee is optimally suited to act as trustee in bankruptcy (the "Bankruptcy Trustee").

5. The Proposal Trustee has extensive knowledge of the Company's operations, finances, books and records and stakeholders as a result of its tenure as Proposal Trustee. In order to fulfil the role of Bankruptcy Trustee, another licenced insolvency trustee would be required to wastefully expend resources obtaining the knowledge that the Proposal Trustee already has.
6. Accordingly, the Proposal Trustee acting as Bankruptcy Trustee would be the most efficient and reasonable result, and to the Proposal Trustee's knowledge would not prejudice any creditor. The Proposal Trustee supports the Company's request for the Court to authorize the Proposal Trustee to act as Bankruptcy Trustee, subject to affirmation at the first meeting of creditors.

7.0 Update on Company's Activities

1. The Company's activities since the commencement of the proceedings have included:
 - a) communicating with suppliers to secure goods and services during these proceedings and to address payment terms;
 - b) considering and implementing cost-saving initiatives;
 - c) corresponding regularly with representatives of the Proposal Trustee regarding operational and restructuring issues;
 - d) addressing employee-related matters, including terminating several employees;
 - e) reviewing and disclaiming a lease agreement;
 - f) corresponding with the Agent and providing the required reporting; and
 - g) facilitating the SISP and working with the Proposal Trustee in this regard.

8.0 Proposal Trustee's Activities

1. The Proposal Trustee's activities from the date of the First Report have included:
 - a) corresponding regularly with the Company's senior executives regarding various matters in these proceedings;
 - b) mailing statutory notices of the proceedings to the Company's creditors;
 - c) continuing to assist the Company with communications to suppliers, customers and other parties;
 - d) responding to creditor inquiries;
 - e) monitoring the Company's receipts and disbursements;
 - f) reviewing the Company's weekly borrowing base reporting to the Agent;
 - g) reviewing the Company's funding requests;

- h) assisting the Company to prepare updated cashflow forecasts;
- i) assisting the Company with communications to employee unions regarding the transition of employees to the Purchaser;
- j) engaging with Blakes, the Proposal Trustee's legal counsel, and Bennett Jones LLP ("Bennett Jones"), counsel to the Company, concerning various matters in these proceedings;
- k) corresponding with the Company and Bennett Jones regarding the disclaimer of lease agreements;
- l) carrying out the SISP, including working with potential bidders, negotiating confidentiality agreements, facilitating the data room and other diligence materials, considering and responding to inquiries and requests from potential bidders and other stakeholders, and assessing proposals submitted;
- m) corresponding with the Company regarding the SISP;
- n) dealing with the Company's creditors and arranging for the continuation of services post filing;
- o) facilitating information requests from interested parties; and
- p) coordinating with Blakes and TDS regarding the review and analysis of the Agent's security over the assets of the Company and the Security Opinions; and
- q) preparing this Report.

9.0 Conclusion and Recommendation

1. Based on the foregoing, the Proposal Trustee respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(1)(f) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
ALLIED TRACK SERVICES INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

32-2705503

Re ALLIED TRACK SERVICES INC.

① Order to go on the
Terms of the attached.

Hayley J.

January 22, 2021

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST**

THE HONOURABLE MR.)

FRIDAY, THE 22nd

JUSTICE HAINES)

DAY OF JANUARY, 2021



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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF ALLIED TRACK SERVICES INC., A CORPORATION
INCORPORATED UNDER THE LAWS OF ONTARIO**

ORDER

THIS MOTION, made by Allied Track Services Inc. (the "**Applicant**") for an order pursuant to the *Bankruptcy and Insolvency Act* (Canada) R.S.C. 1985, c. C-36, as amended (the "**BIA**") was heard this day via video conference as a result of the COVID-19 pandemic.

ON READING the Notice of Motion, the affidavit of Andrew Stuart Jones sworn January 21, 2021 and the Exhibits thereto (the "**Jones Affidavit**"), filed, the First Report of KSV Restructuring Inc. in its capacity as Proposal Trustee (the "**Proposal Trustee**"), dated January 21, 2021 (the "**First Report**"), filed, and on reading the Applicant's cash-flow statement, appended to the First Report, and on being advised that the secured creditors of the Applicant who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel to the Applicant, counsel for the Proposal Trustee, counsel for Bridging Finance Inc. ("**Bridging**"), and such other counsel appearing on the counsel slip, no one appearing for any other party although duly served as appears from the affidavit of service of Joshua Foster sworn January 21, 2021;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record and the First Report is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

EXTENSION OF TIME TO MAKE A PROPOSAL

2. **THIS COURT ORDERS** that the time within which to make a proposal pursuant to section 62(1) of the BIA and the corresponding stay of proceedings provided for in section 69 of the BIA, be and are hereby extended in accordance with section 50.4(9) of the BIA to and including April 6, 2021.

SALE PROCESS

3. **THIS COURT ORDERS** that the sale and investment solicitation process (the "SISP") and corresponding bid and auction procedures in the form attached hereto as Schedule "A" (the "Bid Procedures") are hereby approved. The Proposal Trustee, the Applicant and their advisors, are hereby authorized to perform their obligations under and in accordance with the SISP and the Bid Procedures and to take such further steps as they consider necessary or desirable in carrying out the SISP and the Bid Procedures, subject to prior approval of this Court being obtained before completion of any transaction(s) under the SISP.

4. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Proposal Trustee, the Applicant and each of their respective representatives are hereby authorized and permitted to disclose and transfer to each potential bidder (the "Potential Bidders") and to their representatives, if requested by such Potential Bidders, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in the Applicant's records pertaining to the Applicant's past and current employees, but only to the extent desirable or required to negotiate or attempt to complete a sale pursuant to the SISP (a "Sale"). Each Potential Bidder or representative to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Sale, and if it does not complete a Sale, shall return all such information to the Proposal Trustee, or in the

alternative destroy all such information and provide confirmation of its destruction if requested by the Proposal Trustee.

STALKING HORSE AGREEMENT

5. **THIS COURT ORDERS** that the Applicant's execution of the Stalking Horse Agreement between the Applicant, as vendor, and 2806401 Ontario Inc., as purchaser (in such capacity, the "**Purchaser**"), dated January 21, 2021 (the "**Stalking Horse Agreement**") and attached to the Jones Affidavit as Exhibit "R" is hereby authorized and approved, with such minor amendments as the Applicant (with the consent of the Proposal Trustee) and the Purchaser may agree to in writing, and the bid made by the Purchaser pursuant to the Stalking Horse Agreement is hereby approved as the stalking horse bid (the "**Stalking Horse Bid**"), provided that nothing herein approves the sale and vesting of the assets to the Purchaser pursuant to the Stalking Horse Agreement and that the approval of the sale and vesting of such assets shall be considered by this Court on a subsequent motion made to this Court following completion of the SISP if the Stalking Horse Bid is the Successful Bid (as defined in the Bid Procedures).

CASH MANAGEMENT

6. **THIS COURT ORDERS** that the Applicant shall be entitled to continue to utilize the cash management system currently in place as described in the Jones Affidavit or, with the consent of the Proposal Trustee and the DIP Lender (as defined below), replace it with a substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as defined below) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor with regard to any claims or expenses it may suffer or incur in connection with the provisions of the Cash Management System.

ADMINISTRATION CHARGE

7. **THIS COURT ORDERS** that that the Proposal Trustee, the Proposal Trustee's counsel, and the Applicant's counsel, shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings, both before and after the making of this Order. The Applicant is hereby authorized to pay the accounts of the Proposal Trustee, the Proposal Trustee's counsel and the Applicant's counsel on a weekly basis, provided that the accounts of the Proposal Trustee and the Proposal Trustee's counsel as paid are passed from time to time, and for this purpose the accounts are hereby referred to a judge of the Ontario Superior Court of Justice (Commercial List) at Toronto, Ontario.

8. **THIS COURT ORDERS** that the Proposal Trustee, the Proposal Trustee's counsel and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the current and future assets, undertakings and properties of the Applicant of every nature and kind whatsoever (including all real and personal property), and wherever situate including all proceeds thereof (collectively, the "**Property**"), which charge shall not exceed an aggregate amount of \$500,000, as security for their professional fees and disbursements incurred at their standard rates and charges, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraphs 19 and 21 herein.

DIP FINANCING

9. **THIS COURT ORDERS** that the execution by the Applicant of the DIP Term Sheet (as defined below) is hereby approved, and the Applicant is hereby authorized and empowered to perform its obligations under the DIP Term Sheet and to obtain and borrow under the DIP Term Sheet among the Applicant, as borrower, and Bridging as lender (in such capacity, the "**DIP Lender**"), in order to finance the Applicant's working capital requirements (including those of its operating facilities), and other general corporate purposes and capital expenditures, provided that borrowing under such credit facility shall not exceed \$3,000,000.

10. **THIS COURT ORDERS** that such credit facility shall be on substantially the terms and subject to the conditions set forth in the DIP Term Sheet dated January 21, 2021, and attached as Exhibit "B" to the Jones Affidavit (the "**DIP Term Sheet**"), together with such modifications as may be agreed upon by the Applicant and the DIP Lender and consented to by the Proposal Trustee.

11. **THIS COURT ORDERS** that the Applicant and the DIP Lender are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (such documents, together with the DIP Term Sheet, collectively, the "**Definitive Documents**"), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof together with such modifications as may be agreed upon by the Applicant and the DIP Lender and consented to by the Proposal Trustee, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

12. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which charge shall not exceed an aggregate amount of \$3,000,000, and which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 19 and 21 herein.

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

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge: (i) the DIP Lender may cease making advances to the Applicant, and (ii) the DIP Lender may make demand, accelerate payment and give other notices, and upon three (3) days' notice to the Applicant and the Proposal Trustee, exercise any and all of their rights and remedies against the Applicant or the Property under or pursuant to the Definitive Documents, including, without limitation, to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant and not have to wait ten (10) days to bring such a motion pursuant to section 243 of the BIA; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.

14. **THIS COURT ORDERS AND DECLARES** that all claims of the DIP Lender pursuant to the Definitive Documents are not claims that may be compromised pursuant to any proposal filed by the Applicant or any plan filed by the Applicant under the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the "CCAA"), without the consent of the DIP Lender and, except as contemplated in the Definitive Documents, the DIP Lender shall be treated as unaffected in any proposal or plan or other restructuring with respect to any obligations outstanding to the DIP Lender under or in respect of the Definitive Documents.

15. **THIS COURT ORDERS** that except to the extent contemplated by the Definitive Documents, the Applicant shall not file a proposal or plan in these proceedings or proceed with any other restructuring that does not provide for the indefeasible payment in full in cash of the obligations outstanding under the Definitive Documents as a pre-condition to the implementation of any such proposal or plan or any other restructuring without the prior written consent of the DIP Lender.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

16. **THIS COURT ORDERS** that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings provided that the occurrence giving rise to the indemnified obligations and liabilities shall have occurred after the effective time of this Order, 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.

17. **THIS COURT ORDERS** that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$1,500,000, as security for the indemnity provided in paragraph 16 of this Order. The Directors' Charge shall have the priority set out in paragraphs 19 and 21 herein.

18. **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 Applicant's 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 16 of this Order.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

19. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors' Charge and the DIP Lenders' Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First - Administration Charge (up to the maximum amount of \$500,000);

Second - Directors' Charge (up to the maximum amount of \$1,500,000); and

Third - DIP Lenders' Charge (up to the maximum amount of \$3,000,000).

20. **THIS COURT ORDERS** that the filing, registration or perfection of 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.

21. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such 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 individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") notwithstanding the order of perfection or attachment.

22. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that ranks in priority to, or *pari passu* with, any of the Charges, unless the Applicant also obtains

the prior written consent of the Proposal Trustee and the chargees entitled to the benefit of such Charges (collectively, the "**Chargees**"), or further Order of this Court.

23. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees thereunder shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicant, and 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 Definitive Documents shall create or be deemed to constitute a breach by the Applicant 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 Applicant entering into the Definitive Documents, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicant pursuant to this Order, 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.

24. **THIS COURT ORDERS** that any of the Charges created by this Order over leases of real property in Canada shall only be a charge in the Applicant's interest in such real property leases.

ADDITIONAL PROTECTIONS

25. **THIS COURT ORDERS** that nothing herein contained shall require the Proposal 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 *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Proposal Trustee from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Proposal Trustee shall not, as a result of this Order or anything done in pursuance of the Proposal 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.

26. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal shall be commenced or continue against the Proposal Trustee except with the written consent of the Proposal Trustee or with leave of this Court.

27. **THIS COURT ORDERS** that the Proposal Trustee shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded to the Proposal Trustee under the BIA or any applicable legislation.

PAYMENT FOR PRE-FILING GOODS AND SERVICES

28. **THIS COURT ORDERS** that the Applicant, with the consent of the Proposal Trustee and the DIP Lender, shall be entitled but not required to pay amounts owing for goods and services supplied to the Applicant prior to the date of this Order by any supplier or other Person with whom the Applicant deals with in the ordinary course of business.

SERVICE AND NOTICE

29. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of

documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) 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 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a case website shall be established in accordance with the Protocol with the following URL – <https://www.ksvadvisory.com/insolvency-cases/case/Allied-Track-Services>.

30. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable (including, without limitation, due to COVID-19), the Applicant and the Proposal 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 prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant 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.

31. **THIS COURT ORDERS** that the Applicant and the Proposal Trustee and each of their 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 Applicant's 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 judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

32. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

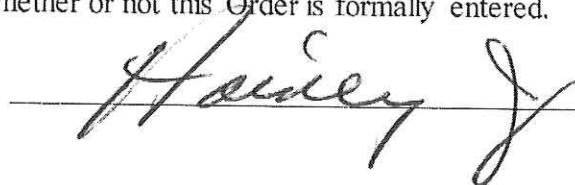
33. **THIS COURT ORDERS** that the Applicant or the Proposal Trustee may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of its powers and duties under this Order or in the interpretation or application of this Order.

34. **THIS COURT ORDERS** that nothing in this Order shall prevent the Proposal Trustee from acting as an interim receiver, receiver, receiver and manager, or trustee in bankruptcy of the Applicant or the Property or acting as monitor if the proceeding is continued under the CCAA.

35. **THIS COURT REQUESTS** the aid and recognition of any court or any judicial, regulatory, or administrative body in any province or territory of Canada and the Federal Court of Canada and any judicial, regulatory, or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States and the states of other subdivisions of the United States and of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

36. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Applicant, the Proposal Trustee, the DIP Lender and any other party or parties likely to be affected by the Order sought or upon such other notice as this Court may order.

37. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Toronto time on the date of this Order whether or not this Order is formally entered.

A handwritten signature in cursive script, appearing to read "Harvey J.", is written over a horizontal line. The signature is written in dark ink and is positioned to the right of the main text block.

SCHEDULE "A"

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
ALLIED TRACK SERVICES INC., A CORPORATION INCORPORATED UNDER
THE LAWS OF ONTARIO**

Bid Procedures

On January 21, 2021 Allied Track Services Inc. ("**Allied Track**") filed a notice of intention to make a proposal (the "**NOI**") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**"). KSV Restructuring Inc. was named as the proposal trustee under the NOI (in such capacity, the "**Proposal Trustee**").

On January 22, 2021, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") granted an order (the "**Order**") pursuant to the BIA, among other things: authorizing Allied Track to conduct a sale and investment solicitation process (the "**SISP**"); approving an interim financing facility pursuant to subsection 50.6(1) of the BIA (the "**DIP Facility**"); approving and accepting for the purpose of conducting the SISP the asset purchase agreement dated January 21, 2021 (the "**Stalking Horse Bid**") between Allied Track and 2806401 Ontario Inc., a nominee of Bridging Finance Inc. ("**Bridging**" and the stalking horse bidder entity, in such capacity, the "**Stalking Horse Bidder**"); and approving the Bid Procedures (as defined below).

Set forth below are the bid procedures (the "**Bid Procedures**") to be employed with respect to the sale of Allied Track's and Pittsburg Bottom Line LLC's ("**Bottom Line**", and together with Allied Track, the "**Vendors**") assets, interests, undertakings, and shares (in the case of Bottom Line), pursuant to the Court-approved SISP.

Subject to Court availability and the terms hereof, Allied Track shall bring a motion (the "**Approval and Vesting Order Motion**") on or before March 5, 2021 seeking the granting of an order by the Court (the "**Approval and Vesting Order**") authorizing Allied Track to proceed with the sale of the Vendors' Assets or a portion thereof to the Qualified Bidder making the Successful Bid (each as defined below) (the "**Successful Bidder**").

Key Dates

January 25, 2021	Delivery of Teaser Letter and sales packages
January 25, 2021	Confidential data – site to be established
February 24, 2021 at 5:00 p.m. (Eastern Time)	Bid Deadline – due date for bids and deposits
February 26, 2021 at 5:00 p.m. (Eastern Time)	Proposal Trustee to provide the Stalking Horse Bidder and each Qualified Bidder a schedule setting forth either or both (i) the highest or otherwise best fully binding offer for all of the Vendors' Assets and (ii) the highest or otherwise best fully binding offer(s) for all or any combination of the Vendors' Assets
March 1, 2021 at 10:00 a.m. (Eastern Time)	Auction (if any)
March 5, 2021 (Eastern Time) (pending the Court's availability)	Approval and Vesting Order hearing (no Auction)
March 10, 2021 (Eastern Time) (pending the Court's availability)	Approval and Vesting Order hearing

Solicitation of Interest: Notice of the SISP and Bid Procedures

As soon as reasonably practicable, but in any event no later than January 25, 2021:

- a) the Proposal Trustee, with the assistance of the Vendors, will prepare a list of potential bidders who may be interested in acquiring the Vendors' Assets in whole or in part (collectively, "**Known Potential Bidders**");
- b) the Proposal Trustee will arrange for a notice of the SISP (and such other relevant information the Proposal Trustee considers appropriate) to be published as soon as reasonably practicable after the date hereof in *The Globe and Mail (National Edition)* and any other newspaper or journal as the Proposal Trustee considers appropriate, if any; and
- c) the Proposal Trustee, in consultation with the Vendors, will prepare: (i) a process summary (the "**Teaser Letter**") describing the Vendors' Assets, outlining the Bid Procedures and inviting recipients of the Teaser Letter to express their interest pursuant to the Bid Procedures; and (ii) a non-disclosure agreement in form and substance satisfactory to the Vendors (an "**NDA**").

The Proposal Trustee will send the Teaser Letter and NDA to each Known Potential Bidder by no later than January 25, 2021 and to any other party who requests a copy of the Teaser Letter and NDA or who is identified by the Vendors as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Assets to Be Sold En Bloc or Piecemeal

The Vendors are offering for sale: (i) the assets, undertakings and interests of or shares in Bottom Line (the "**Bottom Line Assets**"); and (ii) the assets, undertakings and interests of Allied Track (the "**Allied Track Assets**", and together with the Bottom Line Assets, the "**Vendors' Assets**").

The Vendors will consider (i) a bid for all of the Vendors' Assets (an "**En Bloc Bid**"); or (ii) separate bids to acquire some but not all of the Vendors' Assets, including, without limitation, bids to acquire solely the Allied Track Assets or a portion thereof (each a "**Piecemeal Bid**"), provided that the Vendors will only consider Piecemeal Bids if a combination of one or more Piecemeal Bids in the aggregate meet the requirements to be a Qualified Bid (as defined below). The Proposal Trustee will be responsible for conducting the SISP and an auction (the "**Auction**"), if any, on behalf of the Vendors. The Vendors' preferred transaction structure is an En Bloc Bid.

Although the Vendors are seeking bids to purchase some or all of the Vendors' Assets, the Vendors will also consider a bid that contemplates a plan of restructuring, recapitalization or other form of reorganization of the business and affairs of the Vendors, as a going concern or a NOI proposal (an "**Investment Bid**"), provided that an Investment Bid will only be considered a Qualified Bid if it: (i) provides for the indefeasible payment in full of the amounts owing to Bridging or any affiliate or subsidiary thereof, or such lesser amount acceptable to Bridging, including without limitation the secured indebtedness owing to Bridging or any affiliate or subsidiary thereof, or

such lesser amount acceptable to Bridging, on or before the Outside Date (as defined in the Stalking Horse Bid) regardless of the timeline for such Investment Bid; (ii) has conditions that, in the reasonable opinion of the Vendors and the Proposal Trustee, are likely to be satisfied; and (iii) includes a fully-funded commitment to provide any additional interim financing required by the Vendors to complete all steps required to implement such Investment Bid, any security in respect of such financing to be subordinate to the Administration Charge, Directors' Charge and DIP Lender's Charge (each as defined in the Order).

The Bidding Process

The Proposal Trustee, in consultation with the Vendors, shall be responsible for the marketing and sale of the Vendors' Assets pursuant to the Bid Procedures. The Proposal Trustee, with the consent of the Vendors, shall have the right to adopt such other rules for the Bid Procedures (including rules that may depart from those set forth herein) that in its reasonable business judgment will better promote the goals of the SISP, *provided, however*, that the adoption of any rule that materially deviates from the Bid Procedures shall require the prior written consent of the Stalking Horse Bidder or a further Order of the Court.

Participation Requirements

Any interested party that wishes to participate in the process detailed by these Bid Procedures (a "**Potential Bidder**") must provide to the Proposal Trustee:

- a) an NDA executed by it, which shall enure to the benefit of any purchaser of the Vendors' Assets, or any portion thereof, and
- b) a letter setting forth the identity of the Potential Bidder, and the contact information for such Potential Bidder.

To be a "**Qualified Bidder**", a Potential Bidder must submit a bid in substantially the same form as the Stalking Horse Bid, providing for a cash purchase price of the Purchase Price (as defined in the Stalking Horse Bid) (approximately CAD\$104.873 million), or such lesser amount otherwise acceptable to Bridging, and satisfy the Required Bid Terms and Materials (as defined below). Any bid meeting these criteria that is received by the Proposal Trustee before the Bid Deadline is a qualified bid ("**Qualified Bid**").

Bid Deadline

A Qualified Bidder that desires to make a bid shall deliver written copies of its bid and the Required Bid Terms and Materials to the Proposal Trustee no later than 5:00 p.m. (Eastern Time) on February 24, 2021 (the "**Bid Deadline**"). Written copies of bids and the Required Bid Terms and Materials shall be delivered by the Bid Deadline by email to the Proposal Trustee:

KSV Restructuring Inc. 150 King Street West, Suite 2308
Toronto, Ontario, M5H 1J9
Attention: Eli Brenner
Email: ebrenner@ksvadvisory.com

The Proposal Trustee shall forthwith provide copies of any bids received to the Vendors and Bridging.

Interested parties requesting information about the bid process, should contact the Proposal Trustee at the address noted above.

Bid Requirements

All bids (other than the Stalking Horse Bid) must include the following requirements, unless such requirement is waived by the Proposal Trustee after consultation with the Vendors and Bridging (collectively, the "**Required Bid Terms and Materials**"):

- a) the identity of each entity or person and representatives thereof who are authorized to appear and act on behalf of the bidder for all purposes regarding the transaction;
- b) a base cash purchase price equal to or greater than (the "**Base Purchase Price**"):
 - (i) the Purchase Price (being approximately CAD\$104.773 million) and CAD\$100,000 bid increment; or
 - (ii) such lesser amount otherwise acceptable to Bridging;
- c) a description of the Vendors' Assets to be included in the transaction, including, without limitation, a description of which, if any, of the Bottom Line Assets (including any shares) are expected to be included in the transaction and an allocation of the Base Purchase Price to such Bottom Line Assets;
- d) a provision stating that the Potential Bidder's offer is irrevocably open for acceptance until the earlier of (i) the date that the Vendors' Assets have been sold pursuant to the closing of the transaction(s) approved by the Court; and (ii) the Outside Date;
- e) there shall be no provision making the Potential Bidder's offer conditional on obtaining financing or any internal approval or on the outcome of unperformed due diligence or any other contingencies more burdensome than those set forth in the Stalking Horse Agreement;

- f) a duly authorized and executed copy of a proposed purchase agreement and a redline of the bidder's proposed purchase agreement reflecting variations from the Stalking Horse Bid (the "**Modified APA**");
- g) there shall be no provision within the Modified APA requesting or entitling the Potential Bidder to any termination or break-up fee, expense reimbursement or similar type of payment;
- h) written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Proposal Trustee and the Vendors to make a determination as to the bidder's financial and other capabilities to consummate the proposed transaction;
- i) an assumption of liabilities and other economic terms pursuant to the Modified APA that are at least as favorable in the aggregate as those in the Stalking Horse Agreement; and
- j) a cash deposit in the amount of not less than ten percent (10%) of the amount of the Base Purchase Price, in the form of a wire transfer, certified cheque or such other form acceptable to the Proposal Trustee, acting reasonably (the "**Bid Deposit**"), which shall be held in a trust account established by the Proposal Trustee (the "**Escrow Account**"). Funds shall be disbursed from the Escrow Account only as follows: (i) if the Qualified Bidder is the Successful Bidder, its Bid Deposit will be disbursed in accordance with its binding transaction agreement; and (ii) if the Qualified Bidder is not the Successful Bidder, then its Bid Deposit shall be returned to it, without interest, forthwith following the expiration of its offer (which in the case of the Back-Up Bid (as defined below) shall be following closing of the sale to the Successful Bidder).

For the purposes of these Bid Procedures, the Proposal Trustee shall provide all Potential Bidders with an estimate of the anticipated amount owing under the DIP Facility as of the Closing Date (as defined in the Stalking Horse Bid), provided however that the Successful Bidder must agree to adjust its bid (either higher or lower) to reflect the actual amount owing under the DIP Facility on Closing.

A bid received from a Potential Bidder that includes all of the Required Bid Terms and Materials and has been received by the Bid Deadline is a "Qualified Bid". The Proposal Trustee shall notify each Potential Bidder with respect to whether it has submitted a Qualified Bid as soon as practicable after the Bid Deadline. In consultation with the Vendors and Bridging, the Proposal Trustee may waive compliance with any one or more of the Required Bid Terms and Materials and deem such non-compliant bid to be a Qualified Bid.

The Proposal Trustee shall review the Qualified Bids and shall recommend to the Vendors and Bridging which Qualified Bid is the best offer, if any. The Vendors, in consultation with the Proposal Trustee, reserve the right to determine the value of any Qualified Bid, and which Qualified Bid will constitute the lead bid in the Auction (such Qualified Bid, the "**Lead Bid**"). Details of the Lead Bid will be provided by the Proposal Trustee to all Qualified Bidders after the Bid Deadline and no later than 5:00p.m. (Eastern Time) two (2) days before the date scheduled for the Auction.

Notwithstanding the Required Bid Terms and Materials detailed above, the Stalking Horse Bid shall be deemed to be a Qualified Bid and the Stalking Horse Bidder shall be deemed to be a Qualified Bidder, however the Stalking Horse Bidder shall not participate in the Auction, if any.

If no Qualified Bids are submitted by the Bid Deadline other than the Stalking Horse Bid, the Stalking Horse Bid shall be deemed to be the Successful Bid, and the SISP shall not proceed to an Auction. If only one Qualified Bid is submitted by the Bid Deadline, other than the Stalking Horse Bid, the SISP shall not proceed to an Auction, and the Vendors and Bridging, in consultation with the Proposal Trustee, may engage with such Qualified Bidder to negotiate a binding offer, which offer, subject to acceptance by the Vendors, in consultation with the Proposal Trustee and Bridging, shall be the Successful Bid.

The Sale and Auction Process

If more than one Qualified Bid (other than that submitted by the Stalking Horse Bidder) has been received by the Proposal Trustee on or before the Bid Deadline, the Proposal Trustee shall advise all Qualified Bidders of the Lead Bid and invite all Qualified Bidders (including the Stalking Horse Bidder) to participate in the Auction to be conducted by the Proposal Trustee in accordance with the Auction Procedures attached hereto as Schedule "A" (the "**Auction Procedures**"). The Auction will be conducted by video conference due to the COVID-19 pandemic.

Determination of Highest and/or Best Bid: The Proposal Trustee shall determine after each round of offers in the Auction, in its reasonable business judgment, the best bid and shall recommend such bid to the Vendors and Bridging as the Lead Bid for the following round. In making such determination, the Proposal Trustee, the Vendors and Bridging may consider, without limitation: (i) the amount and nature of the consideration; (ii) the proposed assumption of liabilities, if any, and the related implied impact on recoveries for creditors; (iii) the ability of the Qualified Bidder in question to close the proposed transaction; (iv) the proposed closing date and the likelihood, extent and impact of any potential delays in closing; (v) any purchase price adjustment; (vi) the net economic effect of any changes made to the Stalking Horse Bid; and (vii) such other considerations as the Proposal Trustee, the Vendors or Bridging deem relevant in their reasonable business judgment. At the end of each round of offers, the Proposal Trustee shall advise the Qualified Bidders of the material terms of the then highest and/or best bid, and the basis for

calculating the total consideration offered in such offer. If at the end of any round of bidding a Qualified Bidder has elected not to submit a further bid meeting the criteria set out herein (including the Minimum Overbid Increment (as defined in the Auction Procedures)), then such Qualified Bidder shall not be entitled to continue to participate in the next round of offers or in any subsequent round.

If only one Qualified Bid is submitted after a round of offers then that Qualified Bid shall be the Successful Bidder. The next highest offer, as determined by the Vendors based on the Proposal Trustee's recommendation (the "**Back-up Bid**"), shall be required to keep its offer open and available for acceptance until the closing of the Court-approved sale of the Vendors' Assets to the Successful Bidder.

Notwithstanding the foregoing, Bridging shall retain the discretion to not accept any Qualified Bid that does not provide for cash repayment in full of the secured debt owing to Bridging and any affiliate or subsidiary thereof.

Highest versus Best Offer

In determining the Lead Bid, the highest and/or best sale offer during each round of offers, and the Successful Bid, the Proposal Trustee and the Vendors, in consultation with Bridging, are not required to select the offer with the highest purchase price and may, exercising their reasonable business judgment, select another offer on the basis that it is the best offer even though not the highest purchase price. Without limiting the foregoing, the Proposal Trustee and the Vendors, in consultation with Bridging, may give such weight to the non-monetary considerations as they determine, exercising their reasonable business judgment, are appropriate and reasonable, including those considerations described above under "Determination of the Highest and/or Best Bid".

Acceptance of Qualified Bids

The sale of the Vendors' Assets to any Successful Bidder by the Vendors is expressly conditional upon the approval of such bid (the "**Successful Bid**") by the Court at the hearing of the Approval and Vesting Order Motion. The presentation of the Successful Bid to the Court for approval does not obligate the Vendors to close the transaction contemplated by such Successful Bid unless and until the Court approves the Successful Bid. The Vendors will be deemed to have accepted a bid only when the bid has been approved by the Court at the hearing on the Approval and Vesting Order Motion.

"As Is, Where Is, With All Faults"

The sale of the Vendors' Assets or any portion thereof shall be on an "as is, where is" and "with all faults" basis and without representations, warranties, or guarantees, express, implied or statutory,

written or oral, of any kind, nature, or description by the Proposal Trustee or the Vendors or their agents, representatives, partners or employees, or any of the other parties participating in the sales process pursuant to these Bid Procedures, except as may otherwise be provided in a definitive purchase agreement with the Vendors. By submitting a bid, each Qualified Bidder shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Vendors' Assets prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Vendors' Assets in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Vendors' Assets, the financial performance of the Vendors' Assets or the physical condition or location of the Vendors' Assets, or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in these Bid Procedures or as set forth in a definitive purchase agreement with the Vendors.

Free of Any and All Liens

Except as otherwise provided in the Stalking Horse Bid or another Successful Bidder's purchase agreement, and subject to any permitted encumbrances therein, all of Allied Track's right, title and interest in and to the Vendors' Assets shall be sold free and clear of all liens and encumbrances pursuant to the Approval and Vesting Order except for Permitted Encumbrances (as defined in the Stalking Horse Bid).

Approval and Vesting Order Motion Hearing

If there is no Auction, the Approval and Vesting Order Motion shall, subject to the Court's availability take place on or before March 5, 2021. In the case of an Auction, the Approval and Vesting Order Motion shall, subject to the Court's availability, take place on or before March 10, 2021. Allied Track, with the consent of the Proposal Trustee, reserves its right to the extent consistent with the Stalking Horse Bid to change the date of the hearing of the Approval and Vesting Order Motion in order to achieve the maximum value for the Vendors' Assets.

Miscellaneous

The solicitation process and these Bid Procedures are solely for the benefit of the Vendors and nothing contained in the Order or these Bid Procedures shall create any rights in any other person (including, without limitation, any bidder or Qualified Bidder, and any rights as third party beneficiaries or otherwise) other than the rights expressly granted to a Successful Bidder under the Order. The bid protections incorporated in these Bid Procedures are solely for the benefit of the Stalking Horse Bidder.

Participants in the SISF are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Qualified Bid, due diligence activities, and any further

negotiations or other actions whether or not they lead to the consummation of a transaction, including, without limitation, any actions within the Auction.

Except as provided in the Order and Bid Procedures, the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the Order, the SISP and the Bid Procedures.

The Proposal Trustee may consult with Bridging, the Vendors' senior secured creditor, throughout the SISP.

SCHEDULE "A"

Auction Procedures

Auction

1. If the Vendors, based on the recommendation of the Proposal Trustee, in consultation with Bridging, determine to conduct an Auction pursuant to the Bid Procedures to which these Auction Procedures are appended, the Proposal Trustee will notify the Qualified Bidders who made a Qualified Bid that an Auction will be conducted. The Auction will be convened by the Proposal Trustee and conducted by video conference at 10:00 a.m. (Eastern Time) on March 1, 2021, or such other place and time as the Proposal Trustee may advise. Capitalized terms used but not defined have the meaning ascribed to them in the Bid Procedures. The Stalking Horse Bidder shall not participate in the Auction. The Auction shall be conducted in accordance with the following procedures:
 - a) Participation at the Auction. Only a Qualified Bidder is eligible to participate in the Auction. The Proposal Trustee shall provide all Qualified Bidders with the amount of the Lead Bid by 5:00 p.m. (Eastern Time) two (2) Days before the date scheduled for the Auction. Each Qualified Bidder must inform the Proposal Trustee whether it intends to participate in the Auction no later than 12:00 p.m. (Eastern Time) on the business day prior to the Auction. Only the authorized representatives of each of the Qualified Bidders, the Proposal Trustee, the Vendors, Bridging, and their respective counsel and other advisors shall be permitted to attend the Auction.
 - b) Bidding at the Auction. Bidding at the Auction shall be conducted in rounds. The Lead Bid shall constitute the "**Opening Bid**" for the first round and the highest Overbid (as defined below) at the end of each round shall constitute the Opening Bid for the following round. In each round, a Qualified Bidder may submit no more than one Overbid. Any Qualified Bidder who bids in a round (including the Qualified Bidder that submitted the Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction.

- c) Proposal Trustee Shall Conduct the Auction. The Proposal Trustee and its advisors shall direct and preside over the Auction. At the start of each round of the Auction, the Proposal Trustee shall provide the terms of the Opening Bid to all participating Qualified Bidders at the Auction. The determination of which Qualified Bid constitutes the Opening Bid for each round shall take into account any factors that the Proposal Trustee and the Vendors, in consultation with Bridging, reasonably deem relevant to the value of the Qualified Bid, including, among other things, the following: (i) the amount and nature of the consideration; (ii) the proposed assumption of any liabilities and the related implied impact on recoveries for creditors; (iii) the Proposal Trustee's and the Vendors' assessment of the certainty of the Qualified Bidder to close the proposed transaction on or before the Outside Date; (iv) the likelihood, extent and impact of any potential delays in closing; (v) the net economic effect of any changes from the Opening Bid of the previous round; and (vi) such other considerations as the Proposal Trustee or the Vendors deem relevant in their reasonable business judgment (collectively, the "**Bid Assessment Criteria**"). All bids made after the Opening Bid shall be Overbids, and shall be made and received on an open basis, and all material terms of the highest and best Overbid shall be fully disclosed to all other Qualified Bidders that are participating in the Auction. The Proposal Trustee shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction.
- d) Terms of Overbids. An "**Overbid**" is any bid made at the Auction subsequent to the Proposal Trustee's announcement of the Opening Bid. To submit an Overbid, in any round of the Auction, a Qualified Bidder must comply with the following conditions:
- (i) *Minimum Overbid Increment:* Any Overbid shall be made in minimum cash purchase price increments of \$100,000 above the Opening Bid, or such increments as the Proposal Trustee, in consultation with the Vendors, may determine in order to facilitate the Auction (the "**Minimum Overbid Increment**"). The amount of the cash purchase price consideration or value of any Overbid shall not be less than the cash purchase price consideration or value of the Opening Bid, plus the Minimum Overbid Increment(s) at that time, plus any additional Minimum Overbid Increments.
 - (ii) *The Bid Requirements same as for Qualified Bids:* Except as modified herein, an Overbid must comply with the Required Bid Terms and Materials, provided, however, that the Bid Deadline shall not apply. Any Overbid made by a Qualified Bidder must provide that it remains irrevocable and binding on the Qualified Bidder and open for acceptance as a Back-Up Bid until the closing of the Successful Bid.
 - (iii) *Announcing Overbids:* At the end of each round of bidding, the Proposal Trustee shall announce the identity of the Qualified Bidder and the material terms of the then highest and/or best Overbid, including the nature of the transaction, the assets and/or business proposed to be acquired and the obligations proposed to be assumed, the basis for calculating the total

consideration offered in such Overbid based on, among other things, the Bid Assessment Criteria.

- (iv) *Consideration of Overbids:* The Proposal Trustee, in consultation with the Vendors and Bridging, reserves the right to make one or more adjournments in the Auction in durations set by the Proposal Trustee to, among other things: (A) allow individual Qualified Bidders to consider how they wish to proceed; (B) consider and determine the current highest and/or best Overbid at any given time during the Auction; and (C) give Qualified Bidders the opportunity to provide the Proposal Trustee or the Vendors with such additional evidence as it may require that the Qualified Bidder has obtained all required internal corporate approvals, has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing Overbid amount. The Proposal Trustee may have clarifying discussions with a Qualified Bidder, and the Proposal Trustee may allow a Qualified Bidder to make technical clarifying changes to its Overbid following such discussions. **BIDDERS MUST OBTAIN ALL NECESSARY APPROVALS AND FUNDING COMMITMENTS IN ADVANCE OF THE AUCTION.**
- (v) *Failure to Bid:* If at the end of any round of bidding a Qualified Bidder (other than the Qualified Bidder that submitted the then highest and/or best Overbid or Opening Bid, as applicable) fails to submit an Overbid, then such Qualified Bidder shall not be entitled to continue to participate in the next round of the Auction.
- e) Additional Procedures. The Proposal Trustee, in consultation with the Vendors and Bridging, may adopt additional or alternative rules for the Auction at or prior to the Auction that will better promote the goals of the SISP, including rules pertaining to the structure of the Auction, the order of bidding provided they are not inconsistent with any of the provisions of the Bid Procedures and provided further that no such rules may change the requirement that all material terms of the then highest and/or best Overbid at the end of each round of bidding will be fully disclosed to all other Qualified Bidders.
- f) Closing the Auction. The Auction shall be closed once the Vendors, after considering the Proposal Trustee's recommendation, and in consultation with Bridging, have: (i) reviewed the final Overbid of each Qualified Bidder on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the proposed sale; and (ii) identified the Successful Bid and the Back-Up Bid and the Proposal Trustee has advised the Qualified Bidders participating in the Auction of such determination.
- g) Finalizing Documentation. Promptly following a Bid of a Qualified Bidder being declared the Successful Bid or the Back-Up Bid, the Qualified Bidder shall execute

and deliver such revised and updated definitive transaction agreements as may be required to reflect and evidence the Successful Bid or Back-Up Bid. For greater certainty, every bid made at Auction is deemed to be a signed and binding bid based on the bidder's original Qualified Bid.

**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 ALLIED TRACK SERVICES INC.,
A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO**

Estate/Court File No.: 32-2705503

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST**

Proceedings commenced in Toronto

ORDER

BENNETT JONES LLP

One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
M5X 1A4

Sean Zweig (LSO# 57307I)

Jesse Mighton (LSO# 62291J)

Joshua Foster (LSO# 79447K)

Tel: 416-863-1200

Fax: 416-863-1716

Lawyers for the Applicant

Appendix “B”

STALKING HORSE ASSET PURCHASE AGREEMENT

This stalking horse asset purchase agreement is dated January 21, 2021 between Allied Track Services Inc. (the "**Vendor**") and 2806401 Ontario Inc. (the "**Purchaser**", collectively with the Vendor, the "**Parties**" and either one, a "**Party**").

RECITALS:

- (a) The Vendor has or will file a notice of intention to make a proposal (the "**NOI**") under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**");
- (b) The Vendor wishes to sell substantially all of the assets used in the Business and to assign certain Liabilities and the Purchaser has agreed to purchase such assets and assume such Liabilities upon the terms and conditions contained in this Agreement; and
- (c) The Vendor intends to seek an order from the Court pursuant to the BIA in form and substance attached as Schedule "C" that, among other things, authorizes the Vendor to enter into this Agreement and to conduct a marketing and sale process in accordance with the Stalking Horse Sales Process (the "**Sale Process Order**").

In consideration of the above and for other good and valuable consideration, the Parties agree as follows.

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions.

As used in this Agreement, including the recitals hereto, the following terms have the following meanings:

"**Accounts Receivable**" shall have the meaning defined in Section 2.1(c).

"**Administration Charge**" means the charge, if granted by the Court, to secure the fees and expenses of the Administrative Professionals;

"**Administrative Professionals**" means the Vendor's legal counsel, the Proposal Trustee, the Proposal Trustee's legal counsel, and a Trustee in Bankruptcy and its counsel, if one is appointed.

"**Agreement**" means this asset purchase agreement, including all schedules annexed hereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"**Approval and Vesting Order**" means an approval and vesting order of the Court in form and substance acceptable to the Parties, acting reasonably, that, among other

things, approves this Agreement and the transactions contemplated hereby, and vests in and to the Purchaser the Purchased Assets free and clear of and from any and all Encumbrances other than Permitted Encumbrances.

"Assigned Contract" means:

- (a) each Collective Agreement; and
- (b) any other contract to which the Vendor is a party and the benefit of which is assigned to the Purchaser in accordance with Article 4 or by way of an Assignment Order.

"Assignment Order" means an order of the Court requiring the assignment to the Purchaser of contracts (designated by the Purchaser) to which the Vendor is a party, in form and substance satisfactory to the Purchaser and the Vendor, each acting reasonably.

"Assumed Liabilities" shall have the meaning defined in Section 3.1.

"Bankruptcy Costs" means the costs of any bankruptcy of the Vendor under the BIA that may be required on the termination of the Proposal Proceedings.

"BIA" shall have the meaning defined in the Recitals.

"Bid Deadline" means 5:00 p.m. on February 15, 2021, extendable at the discretion of Proposal Trustee for up to ten (10) days, as set out in Schedule "A".

"Bridging Debt" means all indebtedness of the Vendor owing to Bridging Finance Inc., as agent, whether pursuant to: (i) a letter agreement dated March 8, 2017 as amended and restated by letter agreement dated November 15, 2017, as amended; or (ii) otherwise.

"Business" means the businesses operated by the Vendor, which consists of (i) track production, repair and installation, and (ii) signal maintenance, rehabilitation and construction.

"Business Day" means any day of the year, other than a Saturday, Sunday or any day on which Canadian chartered banks are closed for business in Toronto, Ontario.

"Closing" shall have the meaning defined in Section 11.1.

"Closing Date" means the date that is three (3) Business Days after the conditions of Closing in Article 10 of this Agreement are satisfied or waived, or such earlier or later date that the Parties, acting reasonably, may mutually agree.

"Collective Agreement" means any collective agreement, letter of understanding, letter of intent or other written communication or contract with any trade union, association that may qualify as a trade union, council of trade unions, employee

bargaining agent or affiliated bargaining agent, which would cover any of the employees of the Vendor.

“Consent Required Contracts” means the contracts to which the Vendor is a party and which are not assignable in whole or in part without the consent, approval or waiver of the party or parties thereto other than the Vendor.

“Contract Assumed Liabilities” shall have the meaning defined in Section 4.1(2).

“Court” means the Ontario Superior Court of Justice (Commercial List).

“Cure Payment” means a payment solely required to comply with subsection 84.1(5) of the BIA to cure any existing monetary default or breach of the Vendor under any contract which is to become an Assigned Contract as at the date such contract becomes an Assigned Contract.

“Directors” means collectively, anyone who is or was, or may be deemed to be or have been, whether by statute, operation of Law or otherwise, a director or a *de facto* director of the Vendor;

“Directors’ Charge” means the charge, if granted by the Court, in favour of the Vendor’s Directors and Officers securing the Vendor’s indemnity obligations to those Directors and Officers;

“DIP Charge” means the charge, if granted by the Court, to secure all amounts owed to Bridging Finance Inc., as agent, pursuant to the terms of the DIP Facility;

“DIP Facility” means the credit facility made available to the Vendor pursuant to a DIP Term Sheet between Bridging Finance Inc., as agent, and the Vendor, as borrower, dated January 21, 2021;

“Employee Plans” means all the employee benefit, fringe benefit, supplemental unemployment benefit, bonus, incentive, profit sharing, termination, change of control, retirement, pension, registered retirement savings, health, welfare, medical, dental, disability, life insurance and similar plans, programmes, arrangements or practices relating to the current or former directors, officers or employees of the Vendor maintained, sponsored or funded by the Vendor, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered.

“Encumbrances” means any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), easement, license, right of first refusal or first offer, title retention agreement or arrangement, conditional sale, deemed or statutory trust, restrictive covenant, execution, levies, or other financial or monetary claims or encumbrances of any nature (whether at Law or equity), and any contract, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing.

“ETA” shall have the meaning defined in Section 6.1.

“Excluded Assets” shall have the meaning defined in Section 2.2.

“Excluded Liabilities” shall have the meaning defined in Section 3.2(1).

“Governmental Authority” means: (i) any governmental or public department, central bank, court, minister, governor-in-council, cabinet, commission, tribunal, board, bureau, agency, commissioner or instrumentality, whether international, multinational, national, federal, provincial, state, county, municipal, local, or other; (ii) any subdivision or authority of any of the above; and (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

“GST/HST” means all goods and services tax and harmonized sales tax imposed under Part IX of the ETA.

“Installment Contract Debt” means all indebtedness of the Vendor owing to 2700902 Ontario Inc., pursuant to an Installment Sale Contract No. 4915 between the Vendor and Progress Rail Equipment Leasing Corporation which was subsequently assigned by Progress Equipment Leasing Corporation to Bridging Finance Inc., as agent, pursuant to an Assignment and Assumption Agreement dated June 6, 2019 and further assigned by Bridging Finance Inc., as agent, to 2700902 Ontario Inc. pursuant to an Assignment and Assumption Agreement dated June 11, 2019.

“Intellectual Property” means domestic and foreign: (i) patents, applications for patents and reissues, divisions, continuations, renewals, extensions and continuations-in-part of patents or patent applications; (ii) proprietary and non-public business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics, formulae and customer lists, and documentation relating to any of the foregoing; (iii) copyrights, copyright registrations and applications for copyright registration; (iv) mask works, mask work registrations and applications for mask work registrations; (v) designs, design registrations, design registration applications and integrated circuit topographies; (vi) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; (vii) computer software and programs (both source code and object code form), all proprietary rights in the computer software and programs and all documentation and other materials related to the computer software and programs; and (viii) any other intellectual property and industrial property.

“ITA” shall have the meaning defined in Section 6.3.

“Laws” means any principle of common law and all applicable: (i) laws, constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations and by-laws; (ii) judgments, orders, writs, injunctions, decisions, awards and directives of any Governmental Authority; and (iii) to the extent that they are treated

as binding by the Governmental Authority or have the force of law, policies, guidelines, notices and protocols of any Governmental Authority.

“Liability” means any debt, loss, damage, adverse claim, fines, penalties, liability or obligation (whether direct or indirect, known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, matured or unmatured, determined or determinable, disputed or undisputed, liquidated or unliquidated, or due or to become due, and whether in or under statute, contract, tort, strict liability or otherwise), and includes all costs and expenses relating thereto (including all fees, disbursements and expenses of legal counsel, experts, engineers and consultants and costs of investigation) (collectively, **“Liabilities”**).

“Material Contracts” means, collectively:

- (a) the contracts, licenses and agreements listed in Schedule “B”; and
- (b) any other contract, license or agreement to which the Vendor is at any time a party or pursuant to which the Vendor has at any time acquired rights and would reasonably be expected to be material to the Business.

“NOI” shall have the meaning defined in the Recitals.

“Notice” shall have the meaning defined in Section 13.1.

“Officers” means collectively, anyone who is or was, or may be deemed to be or have been, whether by statute, operation of Law or otherwise, an officer or a *de facto* officer of the Vendor;

“Ordinary Course” means, with respect to the Vendor, an action consistent with the past practices of the Vendor prior to the filing of the NOI and taken in the ordinary course of the normal day-to-day business and operations of the Vendor, provided that such action is in compliance, in all material respects, with applicable Laws (provided that it is required to comply with the requirements of the NOI proceedings).

“Outside Date” means April 5, 2021, or such later date as may be agreed to in writing by the Parties.

“Parties” shall have the meaning defined in the Recitals.

“Permitted Encumbrances” means all security interests and other interests arising exclusively from the Assumed Liabilities, Contract Assumed Liabilities, the Bridging Debt and the Installment Contract Debt.

“Person” includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Authority) or any other entity, whether or not having legal status.

“Proposal Proceedings” means the NOI proceedings that have been or will be commenced by the Vendor under the BIA.

“Proposal Trustee’s Certificate” shall have the meaning defined in Section 11.1(3).

“Priority Payables” means all amounts owing (including all amounts accrued but not yet payable) by the Vendor as of the Closing Date which rank *pari passu* or in priority to either of the Bridging Debt or the Installment Contract Debt, including, without limitation:

- (a) all source deductions relating to salary, wages, bonuses and other compensation of all employees;
- (b) all GST/HST related to the Business;
- (c) any amounts secured by, or to be secured by, the DIP Charge;
- (d) any amounts secured by, or to be secured by, the Administration Charge; and
- (e) any amounts secured by, or to be secured by, the Directors’ Charge

“Proposal Trustee” means KSV Restructuring Inc., pursuant to its proposed appointment as proposal trustee of the Vendor under the BIA.

“Purchase Price” shall have the meaning defined in Section 5.1.

“Purchased Assets” shall have the meaning defined in Section 2.1.

“Purchaser” shall have the meaning defined in the Recitals.

“Qualified Bid” has the meaning given in the Stalking Horse Sales Process.

“Stalking Horse Sales Process” means the sales process attached as Schedule “A”

“Sales Process Order” shall have the meaning defined in the Recitals.

“Stalking Horse Bid” shall have the meaning defined in Section 10.1(a).

“Tangible Personal Property” means, collectively, all furniture, fixtures, equipment, inventory, leasehold improvements, machinery, tools, vehicles, office equipment, racking, supplies, computers, telephones and other tangible personal property.

“Tax” means: (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Authority, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services,

harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employee health, payroll, workers' compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority on or in respect of amounts of the type described in clause (i) above or this clause (ii); (iii) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (iv) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Party.

"Time of Closing" means 12:01 a.m. (Toronto time) on the Closing Date, or such other time as the Parties may agree.

"Transfer Taxes" shall have the meaning defined in Section 6.2.

"Transferred Employees" means all Unionized Employees and all non-union employees of the Vendor who accept offers of employment given in accordance with this Agreement from the Purchaser.

"Trustee in Bankruptcy" means the trustee (as defined in the BIA) appointed over the estate of the Vendor pursuant to the BIA, in the event that the Vendor makes or is deemed to have made an assignment in bankruptcy, or where an application for a bankruptcy order concerning the Vendor is made by a party other than the Vendor.

"Unionized Employees" means employees of the Vendor who are employed under the terms of a Collective Agreement.

"Vendor" shall have the meaning defined in the Recitals.

"Wind Down Amount" means the amount necessary to fund the costs to wind down and complete the Proposal Proceedings after the Closing Date, including, without limitation, any Bankruptcy Costs.

"Wind Down Estimate" means an estimate of the Wind Down Amount that is prepared by the Proposal Trustee, in form and substance satisfactory to the Purchaser, acting reasonably.

"Winning Bidder" shall have the meaning defined in Section 10.1(c).

Section 1.2 Date for Any Action.

If the date on which any action is required to be taken hereunder by a Party is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

Section 1.3 Gender and Number.

Any reference in this Agreement to gender includes all genders. Words importing the singular number only shall include the plural and vice versa.

Section 1.4 Headings, etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect its interpretation.

Section 1.5 Currency.

All references in this Agreement to dollars or to \$ are expressed in Canadian currency unless otherwise specifically indicated.

Section 1.6 Certain Phrases, etc.

In this Agreement (i) the words "including", "includes" and "include" mean "including (or includes or include) without limitation", and (ii) the phrase "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of". Unless otherwise specified, the words "Article" and "Section" followed by a number mean and refer to the specified Article or Section of this Agreement.

Section 1.7 Statutes.

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

Section 1.8 Schedules.

The schedules attached to this Agreement form an integral part of this Agreement for all purposes of it.

**ARTICLE 2
PURCHASED ASSETS**

Section 2.1 Purchased Assets.

Subject to the terms and conditions of this Agreement, except for the Excluded Assets, the Vendor agrees to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from the Vendor, on the Closing Date, effective as of the Time of Closing,

all undertakings, property and assets of the Vendor, including any and all assets that relate to or are used in connection with the operation of the Business (collectively, the “**Purchased Assets**”), including but not limited to the following assets, free and clear of all Encumbrances (other than Permitted Encumbrances):

- (a) all cash on hand, cash equivalents and bank deposits;
- (b) all Tangible Personal Property;
- (c) all accounts receivable, notes receivable and other debts due or accruing due to the Vendor (the “**Accounts Receivable**”);
- (d) all prepaid expenses and deposits;
- (e) all customer files;
- (f) the benefit of all of the Assigned Contracts, provided that such benefit shall not be sold, transferred and assigned until the relevant Assigned Contract becomes an Assigned Contract in accordance with Article 4 or pursuant to an Assignment Order;
- (g) all Intellectual Property owned or licensed by the Vendor;
- (h) the proceeds of any and all refunds that may be due to the Vendor from Canada Revenue Agency and from any provincial tax authorities;
- (i) all consents, whether express or implied, granted in favour of the Vendor in accordance with *An Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act* (Canada) (commonly known as “Canada’s Anti-Spam Law” or “CASL”);
- (j) to the extent transferrable, all orders, authorizations, approvals, licenses or permits of any Governmental Authority, owned, held or used by the Vendor;
- (k) all information in any form relating to, or used in connection with, the Business, including books of account, financial and accounting information and records, personnel records (other than records with respect to former employees or employees who do not become Transferred Employees), sales and purchase records, customer and supplier lists, business reports, operating guides and manuals, plans and projections, marketing and advertising materials, corporate records, and all other documents, files, correspondence and other information (whether in written, printed, electronic or computer printout form, or stored on computer discs or other data and software storage and media devices), which for greater certainty, shall not include the books and records set out in Section 2.2;

- (l) all customer guarantees, customer notes, security agreements, financing statements under applicable personal property security legislation, customer deposits or collateral, filings or property securing customer obligations;
- (m) all claims, actions, causes of action, indemnities, warranties (including supplier warranties), guarantees, rights of recovery, rights of set-off and rights of recoupment of the Vendor;
- (n) all telephone numbers;
- (o) all proceeds payable to the Vendor upon any policies of insurance; and
- (p) the goodwill of the Business, including the exclusive right of the Purchaser to represent itself as carrying on the Business in continuation of and in succession to the Vendor (including all business names related thereto).

Section 2.2 Excluded Assets.

Notwithstanding anything herein contained to the contrary, the Purchaser shall not purchase the Vendor's right, title and interest in and to the following assets (collectively, the "**Excluded Assets**"):

- (a) the benefit of any contracts, agreements and/or understandings to which the Vendor is a party other than those contracts that are assigned to the Purchaser pursuant to Article 4 or an Assignment Order; and
- (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, capitalization or existence of the Vendor.

The Purchaser may, at its option, prior to Closing, exclude any of the Purchased Assets from the transactions contemplated hereby by delivering to the Vendor written notice of same, whereupon such asset(s) shall be deemed to form part of the Excluded Assets provided, however, that there shall be no reduction in the Purchase Price as a result of such exclusion.

ARTICLE 3 ASSUMED LIABILITIES

Section 3.1 Assumed Liabilities.

Subject to the Closing, and except for the Excluded Liabilities, the Purchaser agrees to assume, as of the Time of Closing, all of the Vendor's obligations and Liabilities (and no other obligations or Liabilities) relating to (collectively, the "**Assumed Liabilities**"):

- (a) the Purchased Assets arising and accruing in respect of the period after the Time of Closing and not related to any default existing at, prior to or as a consequence of Closing (which excludes all obligations and Liabilities in

connection with the Assigned Contracts, the assumption of obligations and Liabilities of which is dealt with pursuant to Article 4);

- (b) the obligations and Liabilities of the Vendor with respect to the Transferred Employees that are expressly assumed by the Purchaser pursuant to this Agreement;
- (c) the DIP Facility and all security with respect thereto, either, in the sole discretion of Bridging Finance Inc., as agent, in its capacity as lender thereunder, by assumption thereof or refinancing thereof pursuant to exit financing; and
- (d) any other Liability which the Purchaser agrees in writing to assume on or before the Closing Date.

Section 3.2 Excluded Liabilities.

- (1) Other than the Assumed Liabilities and the Contract Assumed Liabilities, the Purchaser shall not assume and shall have no obligation to discharge, perform or fulfill any Liability or obligation of the Vendor or in connection with the Purchased Assets or the Business (the “**Excluded Liabilities**”), whether known, unknown, direct, indirect, absolute, contingent or otherwise arising out of facts, circumstances or events, in existence on or prior to the Time of Closing (with respect to the Assumed Liabilities) or, subject to Article 4, on or prior to the date on which a contract to which the Vendor is a party becomes an Assigned Contract, respectively (with respect to the Contract Assumed Liabilities).
- (2) Without limiting the generality of Section 3.2(1), the Purchaser shall not assume and shall have no obligation in respect of (i) any of the Excluded Assets or (ii) except as expressly provided herein, any Liabilities of the Vendor for Taxes other than as set out in Section 6.1 and Section 6.2.

ARTICLE 4

ASSIGNMENT AND ASSUMPTION OF CONTRACTS AND LEASES

Section 4.1 Assignment of Assigned Contracts.

- (1) On or prior to Closing, the Purchaser may, in its sole discretion, designate any contract to which the Vendor is a party to become an Assigned Contract, provided however that any Consent Required Contract shall be so designated by the Purchaser no later than seven (7) days prior to obtaining the Approval and Vesting Order.
- (2) Subject to Section 4.2, on Closing the Vendor shall be deemed to have assigned the benefit of any Assigned Contract and the Purchaser shall be deemed to have assumed, all of the Vendor’s obligations and Liabilities relating to such Assigned Contract arising and accruing in respect of the period after Closing and not related to any default existing at, prior to or as a consequence of the Closing or of the

assignment of such Assigned Contract (collectively, the “**Contract Assumed Liabilities**”), in each case without payment of any additional consideration.

Section 4.2 Consent Required Contracts.

- (1) Nothing in this Agreement shall be construed as an agreement to assign any Consent Required Contract, unless the consent, approval or waiver required to assign such Consent Required Contract has been given or an Assignment Order has been made with respect to such Consent Required Contract.
- (2) The Vendor and the Purchaser shall use reasonable commercial efforts to obtain the consents, approvals and waivers required for the assignment of the Consent Required Contracts that are designated as Assigned Contracts. Other than the payment of Cure Payments in accordance with this Agreement, which the Purchaser shall be required to pay, the Purchaser and the Vendor shall be under no obligation to pay any money, incur any obligations, commence any legal proceedings, or offer or grant any accommodation (financial or otherwise) to any third party in order to obtain any consent, approval or waiver for any Consent Required Contract.
- (3) Upon request by the Purchaser, such request to be made no later than seven (7) days prior to obtaining the Approval and Vesting Order, the Vendor shall obtain the Assignment Order, should the Purchaser and Vendor not otherwise obtain any of the consents provided for in Section 4.2(2) above.

ARTICLE 5 PURCHASE PRICE

Section 5.1 Purchase Price.

The aggregate purchase price for the Purchased Assets shall be made up of the following amounts (in the aggregate, the “**Purchase Price**”), in each case exclusive of Transfer Taxes:

- (a) an amount equal to the Bridging Debt;
- (b) an amount equal to the Installment Contract Debt;
- (c) an amount required to satisfy the Priority Payables;
- (d) an amount equal to the Assumed Liabilities; and
- (e) an amount required to satisfy the Wind Down Amount.

Section 5.2 Payment of Purchase Price.

The Purchase Price shall be satisfied by the Purchaser as follows, and the Vendor hereby directs the Purchaser to make the payments of the Purchase Price in accordance with this Section 5.2 and this shall be the Purchaser’s good and sufficient authority for so doing:

- (a) as to the amounts referred to in Section 5.1(a) and Section 5.1(b), by the Purchaser assuming the Bridging Debt and the Installment Contract Debt;
- (b) as to the amount referred to in Section 5.1(c), by:
 - (i) wire transfer of immediately available funds to the Vendor on Closing; or
 - (ii) with the consent of the Vendor and the Proposal Trustee, which may be withheld at the discretion of either party (acting reasonably), by assumption of any Priority Payables not paid in such manner on Closing, assumed in a priority position superior to any and all other indebtedness of the Purchaser, as reasonably determined among the Purchaser, the Vendor and the Proposal Trustee;
- (c) as to the amount referred to in Section 5.1(d), by the Purchaser assuming the Assumed Liabilities; and
- (d) as to the amount referred to in Section 5.1(e), payable by wire transfer of immediately available to the Proposal Trustee funds on Closing.

Section 5.3 Allocation of Purchase Price.

The Parties shall agree upon the allocation of the Purchase Price in respect of the Purchased Assets, both acting reasonably, prior to Closing. The Parties shall each report the purchase and sale of the Purchased Assets for all federal, provincial and local tax purposes in accordance with the agreed upon allocation and this Agreement.

Section 5.4 Wind Down Amount.

Prior to Closing, the Proposal Trustee will deliver to the Purchaser the Wind Down Estimate. If the Wind Down Amount exceeds the Wind Down Estimate, the Purchaser shall deliver to the Vendor by wire transfer such additional funds as are required to fund the Wind Down Amount within three (3) Business Days of written request by the Vendor to the Purchaser. If the Wind Down Amount is lower than the Wind Down Estimate, the Vendor shall notify the Purchaser of such excess and deliver to the Purchaser by wire transfer such excess funds as soon as reasonably practicable.

Section 5.5 Adjustment of Purchase Price.

Except as otherwise provided in this Agreement, the Purchase Price shall not be adjusted in any manner whatsoever.

ARTICLE 6 TAX MATTERS

Section 6.1 ETA Elections.

The Purchaser and the Vendor shall, if applicable, jointly elect under subsection 167(1) of the *Excise Tax Act* (Canada) (the “ETA”) and any equivalent or comparable corresponding provision under any applicable provincial or territorial legislation, in the form prescribed for the purposes of each such provision, in respect of the sale and transfer of the Purchased Assets and the Purchaser shall file such elections with the applicable tax authorities within the time and in the manner required by the applicable Law. Notwithstanding such elections, in the event it is determined by a Governmental Authority that there is a Liability of the Purchaser to pay, or of the Vendor to collect and remit, GST/HST (or similar provincial or territorial value-added or multi-staged Tax) in respect of the purchase and sale of the Purchased Assets hereunder, the Purchaser shall forthwith pay such GST/HST (and any similar provincial or territorial value-added or multi-staged Tax) to the applicable Governmental Authority, or to the Vendor for remittance to the appropriate Governmental Authority, as the case may be, and shall indemnify and save harmless the Vendor from any penalties and interest which may be payable by or assessed against the Vendor (or its representatives, agents, employees, directors or officers) under the ETA (and any applicable provincial or territorial legislation) in respect thereof.

Section 6.2 Transfer Taxes.

Subject to any available elections or exemptions contemplated by Section 6.1, the Purchaser shall be liable for and shall pay all federal and provincial sales taxes, transfer taxes, excise taxes, value-added taxes and all other similar Taxes or other like charges of any jurisdiction (“Transfer Taxes”) (for greater certainty, excluding all income or capital taxes of the Vendor) properly payable in connection with the transfer of the Purchased Assets by the Vendor to the Purchaser.

Section 6.3 Income Tax Elections.

- (1) The Purchaser and the Vendor shall, if applicable, elect jointly in the prescribed form under section 22 of the *Income Tax Act* (Canada) (the “ITA”) and the corresponding provisions of any other applicable provincial Tax statute as to the sale of the Accounts Receivable forming part of the Purchased Assets and designate in such election an amount equal to the portion of the Purchase Price allocated to the Accounts Receivable pursuant to Section 5.3. This election, or these elections, shall be made within the time prescribed for such elections.
- (2) The Purchaser and the Vendor shall, if applicable, jointly execute and file an election under subsection 20(24) of the ITA in the manner required by subsection 20(25) of the ITA and under the equivalent or corresponding provisions of any other applicable provincial or territorial statute, in the prescribed forms and within the time period permitted under the ITA and under any other applicable provincial statute as to such amount paid by the Vendor to the Purchaser for assuming future obligations. In this regard, the Purchaser and the Vendor acknowledge that a portion

of the Purchased Assets transferred by the Vendor pursuant to this Agreement and having a value equal to the amount elected under subsection 20(24) of the ITA and the equivalent provisions of any applicable provincial or territorial statute, is being transferred by the Vendor as a payment for the assumption of such future obligations by the Purchaser.

- (3) The Purchaser and the Vendor shall also execute and deliver such other Tax elections and forms as they may mutually agree upon.

ARTICLE 7 EMPLOYEE MATTERS

Section 7.1 Successor Employer

Effective as of the Closing Date, the Purchaser shall become the successor employer under the Collective Agreements, shall continue the employment of all Unionized Employees, and shall: (i) recognize from and after the Closing Date the unions set forth in Schedule "D" as the sole and exclusive collective bargaining agents for the Unionized Employees; and (ii) accept and be bound by the terms and conditions of the Collective Agreements applicable to the Unionized Employees, except that the Purchaser and the applicable collective bargaining agent shall be free (upon mutual agreement) to change the terms and conditions of the Unionized Employees or otherwise modify the applicable Collective Agreement.

Section 7.2 Offers to Non-Union Employees.

- (1) No less than three (3) Business Days in advance of the Closing Date, the Purchaser may, but shall not be obligated to offer employment to any of the Vendor's employees (other than Unionized Employees) to be effective on the Closing Date, conditional on Closing, on terms and conditions that are, in the aggregate, no less favourable than the terms and conditions on which such employees are employed immediately before the Closing Date. Such offers of employment shall recognize the non-union employee's past service with the Vendor for all purposes.
- (2) Nothing in this Section 7.2, express or implied, (i) is intended to or shall confer upon any Person, including any employee of the Vendor, other than the Parties and their respective successors and assigns, any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, (ii) shall establish or constitute an amendment, termination or modification of, or an undertaking to establish, amend, terminate or modify, any Employee Plan, or (iii) shall create any obligation on the part of the Purchaser to employ any Transferred Employee for any period following the Closing Date.

Section 7.3 Employee Plans.

- (1) The Purchaser shall assume the Employee Plans. The Purchaser, on the one hand, and the Vendor, on the other, shall take such actions as are necessary and reasonably requested by the other Party to cause the Purchaser to assume sponsorship of and

responsibility for administration and operation of such Employee Plans as of the Closing and to effect the transfer of all assets and benefit liabilities of the Employee Plans together with all related trust, insurance policies and administrative services agreements, effective as soon as practicable following the Closing. The Vendor and Purchaser shall reasonably cooperate in all matters reasonably necessary to effect the transactions contemplated by this Section 7.3(1) including exchanging information and data relating to workers' compensation, employee benefits and employee benefit plan coverage, and in obtaining any governmental approvals required, except as would result in the violation of any applicable Law, including without limitation, any Law relating to the safeguarding of data privacy.

- (2) Nothing in the provisions of this Section 7.3 express or implied, (i) is intended to or shall confer upon any Person, including any employee of the Vendor, other than the Parties and their respective successors and assigns, any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, (ii) shall establish or constitute an amendment, termination or modification of, or an undertaking to establish, amend, terminate or modify, any Employee Plan, or (iii) shall create any obligation on the part of the Purchaser to employ any Transferred Employee for any period following the Closing Date.

Section 7.4 Employee Liability.

- (1) The Vendor shall be liable for all salary, wages, bonuses, commissions, vacation pay, and other compensation relating to employment of all employees of the Vendor for the period prior to the Closing Date.
- (2) The Vendor shall be liable for statutory notice of termination or payment in lieu of notice obligations and statutory severance obligations in respect of any non-union employees of the Vendor who do not accept the Purchaser's offer of employment.
- (3) Without limiting the Purchaser's obligations in respect of the Transferred Employees, the Purchaser shall be responsible for:
 - (a) all liabilities for salary, wages, bonuses, commissions, vacation pay, and other compensation relating to employment of the Transferred Employees by the Purchaser for the period on and after the Closing Date; and
 - (b) all statutory notice of termination or payment in lieu of notice obligations and statutory severance obligations in respect of the termination by the Purchaser of the employment of any Transferred Employee arising on or after the Closing Date.

**ARTICLE 8
REPRESENTATIONS AND WARRANTIES**

Section 8.1 Vendor Representations and Warranties.

The Vendor represents and warrants as follows to the Purchaser at the date of this Agreement and at the Closing Date and acknowledges and confirms that the Purchaser is relying upon such representations and warranties in connection with the purchase of the Purchased Assets and the assumption of the Assumed Liabilities and the Contract Assumed Liabilities:

- (1) **Incorporation and Qualification.** The Vendor is a corporation duly incorporated and existing under the Laws of its jurisdiction of incorporation and, subject to the granting of the Sale Process Order, has the corporate power to enter into and perform its obligations under this Agreement.
- (2) **Authority to Complete.** Subject to obtaining the Approval and Vesting Order prior to Closing, on Closing the Vendor shall have the power and authority to complete the transactions contemplated hereby, in accordance with the terms and conditions of this Agreement and the Approval and Vesting Order.
- (3) **Enforceability of Obligations.** Subject to the entry of the Sale Process Order, the Approval and Vesting Order and any other orders required by the Court in connection with the transactions contemplated hereby, this Agreement constitutes a valid and legally binding obligation of the Vendor enforceable against the Vendor in accordance with its terms.
- (4) **Residence.** The Vendor is not a non-resident of Canada for purposes of the ITA.
- (5) **Registration.** The Vendor is registered under Part IX of the ETA and its registration number is 105104392 RT0001.
- (6) **Brokers and Finders.** There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the Vendor.

Section 8.2 Purchaser's Representations and Warranties.

The Purchaser represents and warrants as follows to the Vendor at the date of this Agreement and at the Closing Date and acknowledges and confirms that the Vendor is relying on such representations and warranties in connection with the sale by the Vendor of the Purchased Assets:

- (1) **Incorporation and Qualification.** The Purchaser is an entity duly incorporated and existing under the Laws of its jurisdiction of incorporation and has the corporate power to enter into and perform its obligations under this Agreement.

- (2) **Corporate Authority.** The execution and delivery of and performance by the Purchaser of this Agreement and the consummation of the transactions contemplated by it have been authorized by all necessary corporate action on the part of the Purchaser.
- (3) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding agreement of the Purchaser, enforceable against it in accordance with its terms subject only to: (A) as of the date hereof, any limitation under applicable Laws relating to (i) bankruptcy, winding-up, insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other similar Laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction; and (B) as of the Closing Date, the issuance of the Approval and Vesting Order.
- (4) **Registration.** The Purchaser will, prior to Closing, be registered under Part IX of the ETA and under comparable provincial legislation in each other province where the Purchaser is required to be registered for purposes of any election to be made pursuant to Section 6.1.
- (5) **Brokers and Finders.** There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the Purchaser.

Section 8.3 Survival.

The representations and warranties contained in this Agreement shall merge on Closing.

Section 8.4 No Other Representations or Warranties of the Vendor; "As Is, Where Is".

- (1) The representations and warranties given by the Vendor in Article 8 are the sole and exclusive representations and warranties of the Vendor in connection with this Agreement and the transactions contemplated by it. Except for the representations and warranties given by the Vendor in Article 8, the Purchaser did not rely upon any statements, representations, promises, warranties, conditions or guarantees whatsoever, whether express or implied (by operation of Law or otherwise), oral or written, legal, equitable, conventional, collateral or otherwise, regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith.
- (2) The Purchaser hereby acknowledges and agrees as follows:
 - (a) except as expressly provided herein, the Purchased Assets are being purchased on an "as is, where is" basis; and

- (b) except as expressly set forth in this Agreement, the Vendor and the Proposal Trustee make no representations, or warranties in favour of the Purchaser concerning the Purchased Assets, which the Purchaser acknowledges are being acquired on an “as is, where is” basis, whether express or implied, statutory or collateral, arising by operation of Laws or otherwise, including express or implied warranties of merchantability, fitness for a particular purpose, title, description, quantity, condition or quality, and that any and all conditions and warranties expressed or implied by the *Sale of Goods Act* (Ontario) or other Laws do not apply to the transactions contemplated herein and are hereby waived by the Purchaser.

ARTICLE 9 COVENANTS

Section 9.1 Conduct of Business in the Ordinary Course.

During the period up to the Closing Date, the Vendor shall use commercially reasonable efforts to (i) conduct the Business in the Ordinary Course consistent with past practice; (ii) maintain and preserve intact its current Business organization and operations; and (iii) preserve the rights, goodwill and relationships of its employees, customers, lenders, suppliers, regulators and others having relationships with the Business, in each case except to the extent required to allow the Vendor to comply with any of its obligations under this Agreement, subject in all cases to any limitation imposed by being subject to the commercial proposal process under the BIA and any Court order relating thereto. Except with the prior written consent of the Purchaser, the Vendor shall not enter into, amend, disclaim, restate or allow there to occur a default under any Material Contract.

Section 9.2 Actions to Satisfy Closing Conditions.

The Vendor and the Purchaser agree to use their respective commercially reasonable efforts to take, or cause to be taken, all actions and make all such filings and submissions, and obtain such authorizations, which are necessary or advisable in order to (i) fulfil their respective obligations under this Agreement; and (ii) assist with the satisfaction of and ensure all conditions for the benefit of the other Party provided for in Section 10.2, Section 10.3 and Section 10.4 are satisfied.

Section 9.3 Access.

Subject to applicable Laws, the Vendor shall (i) upon reasonable notice, permit the Purchaser and its employees, agents, counsel, accountants or other representatives, to have reasonable access during normal business hours to (A) the Purchased Assets, including all books and records whether retained by the Vendor or otherwise, (B) all contracts and leases to which the Vendor is a party, (C) personnel files relating to the employees of the Vendor (which shall be maintained in strict confidence by the Purchaser and only used for the purpose of considering and/or making employment offers to employees), and (D) the senior personnel of the Vendor, so long as the access does not unduly interfere with the ordinary conduct of the Business; and (ii) furnish to the Purchaser or its employees, agents, counsel, accountants or other such representatives such financial and operating data and other

ARTICLE 10
SALES PROCESS AND CONDITIONS OF CLOSING

Section 10.1 Sales Process

- (a) The Vendor shall bring a motion for the Sales Process Order on or before January 22, 2021. The Sales Process Order shall recognize the within offer by the Purchaser and Purchase Price as a baseline or "stalking horse bid" (the "**Stalking Horse Bid**"). The Purchaser acknowledges and agrees that the aforementioned process is in contemplation of determining whether a Qualified Bid (in addition to the Stalking Horse Bid) can be obtained for the Purchased Assets.
- (b) In the event that one or more Persons submits a Qualified Bid on or before the Bid Deadline, the Proposal Trustee shall conduct an auction for the determination and selection of a Winning Bid (the Person submitting such bid being the "**Winning Bidder**"). Upon the selection of the Winning Bidder, there shall be a binding agreement of purchase and sale between the Winning Bidder and the Vendor (subject to Court approval). The Vendor shall forthwith bring a motion following the selection of the Winning Bidder for an order approving the agreement reached with the Winning Bidder and to vest the purchased assets contemplated by such agreement in the Winning Bidder and, if granted, shall proceed with closing the transaction forthwith.
- (c) Notwithstanding anything contained herein to the contrary, in the event that the Purchaser is not the Winning Bidder, then upon the making of the order by the Court contemplated in Section 10.1(b) above to approve a transaction with such Winning Bidder, this Agreement shall be terminated and neither Party hereto shall have any further Liability or obligation, except as expressly provided for in this Agreement.
- (d) If no Qualified Bids are received by the Bid Deadline (other than the Stalking Horse Bid), then the Stalking Horse Bid shall be deemed to be the Winning Bid, and the Vendor shall forthwith bring a motion to the Court to obtain the Approval and Vesting Order and, if granted, shall proceed with completing the transactions contemplated hereby forthwith.

Section 10.2 Conditions for the Benefit of both Parties.

The purchase and sale of the Purchased Assets is subject to the following conditions to be fulfilled or performed on or before the Closing Date:

- (1) **No Court Orders.** No provision of any applicable Law and no judgment, injunction, order or decree that prohibits the consummation of the purchase of the Purchased Assets pursuant to this Agreement shall be in effect;

- (2) **Approval and Vesting Order.** The Approval and Vesting Order shall have been issued and entered and shall not have been stayed, amended, modified, reversed or dismissed as at the Closing Date; and
- (3) **Proceedings by Governmental Authority.** No motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the transactions contemplated by this Agreement.

Section 10.3 Conditions for the Benefit of the Purchaser.

The purchase and sale of the Purchased Assets is subject to the following conditions to be fulfilled or performed on or before the Closing Date, which conditions are for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole discretion:

- (1) **Representations and Warranties.** The representations and warranties of the Vendor contained in this Agreement shall be true and correct as of the Closing Date in all material respects, with the same force and effect as if such representations and warranties had been made on and as of such date;
- (2) **Covenants.** The Vendor shall have fulfilled or complied with all covenants contained in this Agreement required to be fulfilled or complied with by it in all material respects at or prior to the Closing Date, including delivery by the Vendor of the documents and instruments contemplated by Section 11.2;
- (3) **No Bankruptcy.** The Vendor shall not be and shall not have become a bankrupt under the BIA;
- (4) **Consents.** The Vendor shall have obtained consents from the counterparties to the Consent Required Contracts that have been designated as Assigned Contracts from the counterparties to those agreements and shall have delivered such consents to the Purchaser; and
- (5) **Assignment Order.** The Assignment Order, if requested by the Purchaser, shall have been issued and entered in form and substance satisfactory to the Purchaser.

Section 10.4 Conditions for the Benefit of the Vendor.

The purchase and sale of the Purchased Assets is subject to the following conditions to be fulfilled or performed on or before the Closing Date, which are for the exclusive benefit of the Vendor and which may be waived, in whole or in part, by the Vendor in its sole discretion:

- (1) **Representations and Warranties.** The representations and warranties of the Purchaser contained in this Agreement shall be true and correct as of the Closing Date in all material respects, with the same force and effect as if such representations and warranties had been made on and as of such date; and

- (2) **Covenants.** The Purchaser shall have fulfilled or complied with all covenants contained in this Agreement required to be fulfilled or complied with by it in all material respects at or prior to the Closing Date, including delivery by the Purchaser of the documents and instruments contemplated by Section 11.3.

ARTICLE 11 CLOSING

Section 11.1 General.

- (1) The completion of the transactions of purchase, sale and assumption contemplated by this Agreement (the “**Closing**”) shall take place electronically on the Closing Date.
- (2) As soon as practicable following the determination that this Agreement is the Winning Bid pursuant to the Stalking Horse Sales Process, the Vendor shall file motion materials seeking the issuance of the Approval and Vesting Order, provided that the Purchaser has had a reasonable opportunity to review and comment upon such materials, acting reasonably, in advance of filing with the Court. The Vendor shall serve notice of the motion seeking the issuance and entry of the Approval and Vesting Order on all Persons determined reasonably necessary by the Purchaser and shall provide reasonable advance notice of any Court appearances so that the Purchaser may make arrangements to attend if it so desires.
- (3) The Parties hereby acknowledge and agree that the Proposal Trustee shall be entitled in accordance with the Approval and Vesting Order to file a certificate, substantially in the form attached to the Approval and Vesting Order (the “**Proposal Trustee’s Certificate**”), with the Court upon receiving written confirmation from the Vendor and the Purchaser that all conditions of Closing have been satisfied or waived.

Section 11.2 Vendor’s Closing Deliveries.

At the Closing, the Vendor shall execute and/or deliver or cause to be delivered to the Purchaser the following:

- (a) the Purchased Assets, which shall be delivered *in situ* wherever located as of the Closing;
- (b) a true and complete copy of the Approval and Vesting Order, as entered by the Court;
- (c) if requested by the Purchaser, a true and complete copy of the Assignment Order, as entered by the Court;
- (d) true and complete copies of the Assigned Contracts to which the Vendor is a party, to the extent not delivered prior to Closing;
- (e) such executed Tax elections as are required pursuant to Article 6;

- (f) an executed assignment and assumption agreement evidencing the assumption by the Purchaser of the Assumed Liabilities;
- (g) a true and complete copy of the Proposal Trustee's Certificate executed by the Proposal Trustee (such Proposal Trustee's Certificate to be filed with the Court by the Proposal Trustee following Closing and a copy of such filed Proposal Trustee's Certificate shall be delivered to the Purchaser promptly thereafter); and
- (h) any other documents necessary or desirable in the opinion of the Purchaser, acting reasonably.

Section 11.3 Purchaser's Closing Deliveries.

At the Closing, the Purchaser shall execute and/or deliver or cause to be delivered to the Vendor, or as the Vendor may direct, the following:

- (a) the payments contemplated by Section 5.2(a), Section 5.2(b), Section 5.2(c) and Section 5.2(d);
- (b) evidence of payment of any applicable Transfer Taxes;
- (c) such executed Tax elections as are required pursuant to Article 6;
- (d) an executed assignment and assumption agreement evidencing the assumption by the Purchaser of the Assumed Liabilities; and
- (e) any other documents necessary or desirable in the opinion of the Vendor, acting reasonably.

**ARTICLE 12
TERMINATION**

Section 12.1 Termination of Agreement.

This Agreement may by notice in writing given prior to or on the Closing Date be terminated:

- (a) by mutual consent of the Vendor and the Purchaser;
- (b) by either Party upon written notice to the other Party if the conditions set out in Section 10.2 are not satisfied performed or mutually waived on or before the Outside Date;
- (c) by the Purchaser or the Vendor if the Approval and Vesting Order, once granted, shall have been amended or modified in a manner adverse to such Party, or if it is stayed, reversed, dismissed or ceases to be in full force and effect;

- (d) by the Purchaser if the Assignment Order, if requested and once granted, shall have been amended or modified in a manner adverse to the Purchaser, or if it is stayed, reversed or ceases to be in full force and effect;
- (e) automatically if the Closing has not occurred by 11:59 p.m. on the Outside Date.

Section 12.2 Effect of Termination.

- (1) In the event that the Agreement is terminated in accordance with Section 12.1, then each of the Parties shall be relieved of its duties and obligations arising under this Agreement, effective as of the date of such termination and such termination shall be without Liability to the Purchaser and the Vendor, including without limitation in respect of any Liabilities accrued from the date of execution of this Agreement to the date of termination.
- (2) Under no circumstances shall either of the Parties, their representatives or their respective directors, officers, employees or agents be liable for any special, punitive, exemplary, consequential or indirect damages (including loss of profits) that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the transactions contemplated herein.

Section 12.3 Dispute Resolution.

If any dispute arises with respect to any matter related to the transactions contemplated herein or the interpretation or enforcement of this Agreement such dispute will be determined by the Court, or by such other Person or in such other manner as the Court may direct.

**ARTICLE 13
MISCELLANEOUS**

Section 13.1 Notices.

Any notice, direction or other communication given regarding the matters contemplated by this Agreement (each a “**Notice**”) must be in writing, sent by personal delivery, courier or electronic mail and addressed:

- (a) to the Vendor:

Allied Track Services Inc.
169 S Service Rd,
Grimsby, ON L5M 4H6

Attention: Andy Jones
Email: andy.jones@alliedtrack.ca

with a copy to Vendor’s counsel:

Bennett Jones LLP
100 King Street West, Suite 3400
Toronto, ON M5X 1A5

Attention: Sean Zweig and Jesse Mighton
Email: zweigs@bennettjones.com
mightonj@bennettjones.com

with a copy to the Proposal Trustee:

KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

Attention: Noah Goldstein
Email: ngoldstein@ksvadvisory.com

with a copy to the Proposal Trustee's counsel:

Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000
Toronto, ON M5L 1A9

Attention: Chris Burr
Email: chris.burr@blakes.com

(b) to the Purchaser:

Bridging Finance Inc.
77 King Street West, Suite 2925
Toronto, ON M5K 1K7

Attention: Graham Marr, Senior Managing Director
Email: gmarr@bridgingfinance.ca

with a copy to Purchaser's counsel:

Chaitons LLP
5000 Yonge Street
Toronto, ON M2N 7E9

Attention: Harvey Chaiton and Seth Mandell
Email: harvey@chaitons.com
seth@chaitons.com

A Notice is deemed to be given and received if sent by personal delivery, courier or electronic mail, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day. A Party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a Notice will be assumed not to be changed. Sending a copy of a Notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the Notice to that party. The failure to send a copy of a Notice to legal counsel does not invalidate delivery of that Notice to a Party.

Section 13.2 Assignment.

Neither this Agreement nor any of the rights or obligations under this Agreement may be assigned or transferred, in whole or in part, by any Party without the prior written consent of the other Parties. Notwithstanding the foregoing, on Closing the Purchaser shall be entitled to direct title to any of the Purchased Assets to one or more Persons provided that such persons shall agree to be jointly and severally liable with the Purchaser in respect of its liabilities and obligations under this Agreement.

Section 13.3 Survival.

Any provision of this Agreement which contemplates performance or the existence of obligations after the Closing Date shall not be deemed to be merged into or waived by the execution, delivery or performance of this Agreement or documents delivered in connection herewith or Closing, but shall expressly survive the execution, delivery and performance of this Agreement, Closing and the execution, delivery and performance of any and all documents delivered in connection with this Agreement and shall be binding upon the Party or Parties obligated thereby (including any trustee-in-bankruptcy appointed in respect of such Party) in accordance with the terms of this Agreement.

Section 13.4 Time of the Essence.

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser.

Section 13.5 Enurement.

This Agreement becomes effective when executed by the Vendor and the Purchaser. After that time, it will be binding upon and enure to the benefit of the Parties and their respective successors, legal representatives and permitted assigns.

Section 13.6 Entire Agreement.

This Agreement and the other documents executed in connection herewith constitutes the entire agreement between the Parties with respect to the transactions contemplated in this Agreement and supersede all prior agreements, understandings,

negotiations and discussions, whether oral or written, of the Parties with respect to such transactions. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

Section 13.7 Waiver.

No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right it may have.

Section 13.8 Amendments.

This Agreement may only be amended, supplemented or otherwise modified by written agreement signed by the Vendor and the Purchaser.

Section 13.9 Further Assurances.

- (1) From the Closing Date, each of the Parties covenants and agrees to do such things, to attend such meetings and to execute such further conveyances, transfers, documents and assurances as may be deemed necessary or advisable from time to time in order to effectively transfer the Purchased Assets, the Assumed Liabilities and the Contract Assumed Liabilities to the Purchaser and carry out the terms and conditions of this Agreement in accordance with their true intent.
- (2) Notwithstanding Section 13.9(1) or anything else contained in this Agreement, after Closing the Vendor shall not be required to delay making an assignment in bankruptcy under the BIA if it determines, in its sole discretion, to do so.

Section 13.10 Severability.

If any provision of this Agreement is determined to be illegal, invalid or unenforceable, by any court of competent jurisdiction from which no appeal exists or is taken, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

Section 13.11 Governing Law.

This Agreement is governed by, and will be interpreted and construed in accordance with, the Laws of the Province of Ontario and the federal Laws of Canada applicable therein.

Section 13.12 Jurisdiction.

The Parties hereby irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Ontario with respect to any matter arising under or related to this Agreement.

Section 13.13 Counterparts.

This Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by email or other electronic means is as effective as a manually executed counterpart of this Agreement.

[signature page follows]

IN WITNESS WHEREOF the Parties hereto have duly executed this Agreement as of the date first written above.

ALLIED TRACK SERVICES INC.

By: 
Name: Andy Jones
Title: Director

2806401 ONTARIO INC.

By: 
Name: Graham Marr
Title:

Schedule "A"

Stalking Horse Sales Process

See attached.

Schedule "B"

Material Contracts

See attached.

Schedule "C"
Sales Process Order

See attached.

Schedule "D"

Unions

See attached.

Appendix “C”



Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
199 Bay Street
Suite 4000, Commerce Court West
Toronto ON M5L 1A9 Canada
Tel: 416-863-2400 Fax: 416-863-2653

March 9, 2021

KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, Ontario
M5H 1J9

Attention: Noah Goldstein

RE: Review of Security Provided by Allied Track Services Inc.
Re: Ontario, Alberta and British Columbia Law Opinion

Dear Mr. Goldstein:

We have acted as independent counsel to KSV Restructuring Inc., in its capacity as proposed proposal trustee (the "**Proposed Trustee**") of Allied Track Services Inc. ("**Allied**").

You have asked for our opinion regarding the validity, perfection and enforceability under the laws of Ontario, Alberta and British Columbia (the "**Provinces**"), of certain security granted by Allied to secure the obligations of Allied owing under the Amended and Restated Letter Credit Agreement dated November 15, 2017 among Bridging Finance Inc., as agent (the "**Agent**") for certain lenders from time to time (collectively, the "**Lenders**"), Allied, as borrower, and Swift Railroad Holdings U.S. LLC ("**Swift**"), Pittsburg Bottom Line, L.L.C. ("**Bottom Line**"), and 2409889 Ontario Inc., as guarantors, as may be amended, restated, supplemented, extended or replaced from time to time (the "**Credit Agreement**").

A. Documentation and Scope of Review

We have reviewed executed photostatic copies, electronically transmitted copies and/or facsimiles of each of the following documents:

- (a) Credit Agreement;
- (b) General Security Agreement issued by Allied in favour of the Agent, dated March 8, 2017 (the "**GSA**");¹
- (c) Acknowledgement and Confirmation of Security Agreement dated November 15, 2017 from Allied to, among others, the Agent (the "**Nov. 15 Confirmation**");

¹ We note that there appears to be a typographical error in the GSA, discussed below in Section F(a), which error we do not believe to be sufficiently material or misleading to impact our opinions herein.

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- (d) Acknowledgement and Confirmation of Security Agreement dated November 27, 2017 from Allied to, among others, the Agent (the “**Nov. 27 Confirmation**”);
- (e) Certificate of Liability Insurance dated November 14, 2017;
- (f) Subordination and Postponement Agreement from Trisura Guarantee Insurance Company dated March 2, 2017;
- (g) Postponement, Subordination and Standstill Agreement dated November 27, 2017 to the Agent re Loans made to Swift, 2409889 Ontario Inc., Allied and/or Bottom Line by Casey Turner and Ryan Turner;
- (h) Priority Acknowledgement among JPD Private Trust Company Ltd., the Agent and Allied;
- (i) Assignment of Debt and Security dated November 27, 2017 between Allied and the Agent; and
- (j) Use Agreement dated April 5, 2018 among the Agent, Allied and Allied Track Equipment Company LLC.

We have also:

- (a) examined such statutes, regulations, public records and certificates of government officials,
- (b) made such further examinations, investigations and searches; and
- (c) considered such questions of law that we have deemed relevant and necessary as the basis for the opinions herein expressed.

“**Collateral**” has the meaning ascribed to such term in the GSA. “**OPPSA**” means the *Personal Property Security Act* (Ontario) and the regulations thereunder, “**APPSA**” means the *Personal Property Security Act* (Alberta) and the regulations thereunder, “**BCPPSA**” means the *Personal Property Security Act* (British Columbia) and the regulations thereunder, and “**PPSAs**” means, collectively, the OPPSA, APPSA and BCPPSA.

We did not participate in the negotiation, preparation, execution, delivery or registration of the GSA. Our involvement with the GSA arises solely in our capacity as counsel to the Proposed Trustee.

B. Applicable Law

The opinions expressed herein relate only to the laws of the Provinces and the federal laws of Canada applicable therein in effect on the date hereof, and no opinions are expressed as to the laws of any other jurisdiction. In particular, no opinion is expressed with respect to the laws of any other jurisdiction to the extent that such laws may govern the validity, perfection, effect of perfection or non-perfection or

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enforcement of the security interests expressed to be created by or under the GSA as a result of the application of the conflict of laws rules of the Provinces including, without limitation, sections 5 to 8, inclusive, of the OPPSA, and sections 5 through 8.1, inclusive, of the APPSA and BCPPSA, respectively. In addition, we express no opinion whether, pursuant to those conflict of laws rules, the laws of the Provinces would govern the validity, perfection, effect of perfection or non-perfection or enforcement of those security interests.

C. Searches

We have reviewed the personal property searches identified in Schedule A hereto (the "**Searches**"), which Searches are current as of the dates indicated in Schedule A. The Searches were conducted in respect of the current and former legal names of Allied. The only registrations, filings or recordings against Allied disclosed by such searches are set forth in Schedule A.

D. Assumptions and Reliances

For the purposes of the opinions expressed herein, we have assumed:

- (a) that the GSA is a legal, valid and binding obligation of Allied, enforceable against Allied by each other party thereto in accordance with its terms;
- (b) the validity and enforceability of the indebtedness, obligations and other liabilities of Allied which are secured by the security interests and charges granted by Allied pursuant to the GSA and that such indebtedness, obligations and other liabilities have not been repaid or otherwise satisfied;
- (c) that Allied was at the time of execution of the GSA and at all times thereafter a corporation existing under the laws of Ontario;
- (d) that Allied had and has all requisite corporate power and capacity to execute and deliver the GSA, to perform its obligations thereunder, and to own its property and assets and carry on its business;
- (e) there are no resolutions of the shareholders or directors of Allied, or any agreement of the shareholders binding on the directors of Allied, that limited or restricted Allied's ability to enter into, execute or perform its obligations under the GSA, to borrow money or grant security as contemplated by the GSA;
- (f) that Allied duly executed and delivered the GSA;
- (g) that Allied took all necessary corporate action to authorize the execution and delivery of the GSA and the performance of its obligations thereunder;

- (h) that the execution and delivery by Allied of the GSA and the performance by Allied of its rights and obligations thereunder do not breach, violate, contravene, constitute a default under or conflict with the provisions of its constating documents, bylaws or any law, statute or regulation applicable to Allied or any other agreement, document or instrument to which it is a party or is subject or is bound;
- (i) that (A) the parties to the GSA have not agreed orally or in any written agreement to postpone the time for attachment of the security interests created by the GSA; and (B) that value has been given to the parties under the GSA;
- (j) that no consent, licence, permit, approval, authorization, declaration, registration, order or exemption of any federal or provincial governmental body or regulatory authority is required for or in connection with the execution or delivery by Allied of the GSA or the performance by it of any of its rights and obligations thereunder;
- (k) the identity and capacity of all individuals acting or purporting to act as public officials, the accuracy, currency and completeness of the records maintained by offices of public record where searches have been conducted, the information and advice provided to us by appropriate government, regulatory or other like officials with respect to those matters referred to herein, all representations, statements and other matters of fact set out or referred to in such searches and documents, the reliability of all search results obtained by electronic transmission, and the accuracy of the results of any printed or computer search of offices of public record;
- (l) that the GSA remains in full force and effect, and has not been further amended;
- (m) that none of the property subjected to a security interest pursuant to the GSA constitutes consumer goods (as defined in the PPSAs); and
- (n) the conformity to originals of all documents submitted to us as notarial, certified, conformed, photostatic, electronic or facsimile copies thereof and the authenticity of the originals of such certified, photostatic or electronically transmitted copies or facsimiles.

For greater certainty, a specific assumption, limitation or qualification in this opinion is not to be interpreted to restrict the generality of an assumption, limitation or qualification expressed in general terms that includes the subject matter of the specific assumption, limitation or qualification.

E. Opinions

- (a) The GSA:
 - (i) creates a valid security interest in favour of the Agent in any Collateral that is personal property to which the PPSAs apply and in which Allied had rights as of the date of the GSA;

- (ii) is sufficient to create a valid security interest in favour of the Agent in any Collateral that is personal property to which the PPSAs apply and in which Allied acquires rights after the date of the GSA when those rights are acquired by Allied; and
 - (iii) is sufficient to secure payment and performance of the obligations described in the GSA as being secured thereby.
- (b) Registration has been made in all public offices in the Provinces where such registration is necessary to preserve, protect or perfect the security interests created by the GSA in favour of the Agent in the Collateral, except that no registrations have been made:
- (i) in any land registry office or under any land registry statutes in respect of any interest in Allied's real property or leases of real property or in property which is now or may hereafter become a fixture or a right to payment under a lease, mortgage or charge of real property;
 - (ii) under the *Railways Act* (Ontario);
 - (iii) under any federal statute of Canada for security or other interests affecting intellectual property, any vessel which is registered or recorded under the *Canada Shipping Act* or rolling stock; or
 - (iv) at the International Registry of Mobile Assets in respect of any "aircraft objects" as such term is defined in the *UNIDROIT Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment*.

F. Assumptions, Limitations and Qualifications

The foregoing opinions are subject to the following assumptions, limitations and qualifications:

- (a) there is a typographical error in the grant of security in the GSA, which is to "Bridging Financing Inc. as Agent" as opposed to "Bridging Finance Inc. as Agent". This typographical error is not repeated in the Nov. 15 Confirmation or the Nov. 27 Confirmation, the secured party name is correctly recorded in the applicable PPSA filings, the reference to "Agent" in the GSA is cross-referenced to the Credit Agreement, which correctly records the secured party name, and searches of corporate records in the Provinces do not disclose a record for "Bridging Financing Inc.". Accordingly, we do not consider the typographical error to be material or misleading, nor sufficient to invalidate the security granted.
- (b) the enforceability of the GSA may be limited by any applicable bankruptcy, insolvency, winding-up, reorganization, arrangement, moratorium, law of equity or other laws affecting creditors' rights generally;

- (c) this opinion does not address the quantum of the indebtedness secured by such security interests;
- (d) notwithstanding that, subject to attachment, registration under the PPSAs will generally perfect a security interest in all forms of personal property to the extent that the PPSAs apply to such personal property, perfection by possession or control of certain types of personal property (such as share certificates or uncertificated securities) may provide additional rights to a secured party;
- (e) a security interest in motor vehicles (as defined in the OPPSA) which are classified as equipment or proceeds may be ineffective as against certain third parties, unless the vehicle identification number of such vehicles was set out in a financing statement or financing change statement;
- (f) a security interest in “serial number goods” (as defined in the APPSA) which are classified as equipment or consumer goods or proceeds may be ineffective as against certain third parties, unless the registration in respect of such collateral includes a description by serial number in accordance with the provisions of the APPSA;
- (g) with respect to “serial numbered goods” as defined in the British Columbia Personal Property Security Regulation (which includes motor vehicles, trailers, manufactured homes, aircraft, boats and outboard motors for a boat), a security interest in such goods is not perfected by registration for the purposes of the BCPPSA where such goods are used by the debtor as “equipment” (in contrast to “inventory”), each as defined in the BCPPSA, unless the registration in respect of such goods includes a description by serial number in accordance with the provisions of the BCPPSA and the regulations thereto;
- (h) the PPSAs impose certain obligations on secured creditors which cannot be varied by contract; the PPSAs may also affect the enforcement of certain rights and remedies contained in the GSA to the extent that those rights and remedies are inconsistent with or contrary to the PPSAs including, without limitation, (i) sections 16, 17 and 39 and Part V of the OPPSA, (ii) sections 16, 17 and 33 and Part 5 of the APPSA, and (iii) sections 16, 17 and 33 and Part 5 of the BCPPSA;
- (i) the security interests of a secured party in goods (as defined in the PPSAs) will be defeated by certain claimants to which Allied sells or leases such goods in the ordinary course of business in the circumstances described in the PPSAs;
- (j) no opinion is expressed regarding the creation, validity, enforceability or perfection of any security interest or other interest in any of the following property or any interest therein:
 - (i) any real property, fixtures, crops or mineral claims;
 - (ii) any policy of insurance or contract of annuity;

- (iii) any permits, quotas, licences or other similar property which is not personal property;
 - (iv) any property which is an interest in coal, mineral, placer, mining or petroleum and natural gas leases, claims or rights;
 - (v) any contractual right (other than an account or chattel paper subject to section 40(4) of the OPPSA, section 41(7) of the APPSA or section 41(9) of the BCPPSA), which by its terms or by the nature of the contract, or any permits, quotas, licences or other similar property, which by their terms, their nature or by the nature of the business of Allied, cannot be the subject of a security interest or other interest, without the consent, authorization or approval of a third party; and
 - (vi) any debt owing to Allied by the Crown in right of Canada, any Province or any agent thereof including, without limitation, to any Crown corporation or in respect of any "corporation debt" (as defined in the *Financial Administration Act* (Alberta));
- (k) an assignment of an account or chattel paper will not be binding on the obligor to the extent that such account or chattel paper is paid or otherwise discharged before notice of the assignment is given to the obligor, together with a direction to pay the secured party;
- (l) Section 7(1) of the OPPSA provides that the validity, the perfection, the effect of perfection or non-perfection, and the priority, of a security interest in (a) an intangible, (b) goods that are of a kind that are normally used in more than one jurisdiction, if the goods are equipment or are inventory leased or held for lease by the debtor to others, and (c) a non-possessory security interest in chattel paper, a negotiable document of title, an instrument or money, must be governed by the law, including the conflicts of laws rules, of the jurisdiction where the debtor is located, at the time the security interest attached; for the purposes of Section 7(1) of the OPPSA, a debtor that is a corporation that is incorporated, continued, amalgamated or otherwise organized under a law of a province or territory of Canada that requires the incorporation, continuance, amalgamation or organization to be disclosed in a public record, is deemed to be located in that province or territory;
- (m) Section 7(2) of the BCPPSA provides that the validity, perfection and the effect of perfection of or non-perfection of a security interest in (a) an intangible, (b) goods that are of a kind that are normally used in more than one jurisdiction, if the goods are equipment or are inventory leased or held for lease by the debtor to others, and (c) a non-possessory security interest in chattel paper, a negotiable document of title, an instrument or money, must be governed by the law, including the conflicts of laws rules, of the jurisdiction where the debtor is located, at the time the security interest attached; for the purposes of Section 7(2) of the BCPPSA, a debtor that is a corporation, limited partnership or an organization and that is incorporated, continued, amalgamated or otherwise organized by or under a law of a province of Canada that requires the incorporation, continuance, amalgamation or organization to be disclosed in a public record, is deemed to be located in that province;

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- (n) Section 7(2) of the APPSA provides that the validity, perfection and the effect of perfection of or non-perfection of a security interest in (a) an intangible, (b) goods that are of a kind that are normally used in more than one jurisdiction, if the goods are equipment or are inventory leased or held for lease by the debtor to others, and (c) a non-possessory security interest in chattel paper, a negotiable document of title, an instrument or money, must be governed by the law, including the conflicts of laws rules, of the jurisdiction where the debtor is located, at the time the security interest attached; for the purposes of Section 7(2) of the APPSA, a debtor is deemed to be located at the debtor's place of business, if the debtor has a place of business, at the debtor's chief executive office, if there is more than one place of business, and at the debtor's principal residence, if the debtor has no place of business;
- (o) to the extent that the security interests created by the GSA attach investment property (as defined in the OPPSA, APPSA or the BCPPSA, as applicable), the validity of such security interest is governed by the law, at the time the security interest attaches, of:
 - (i) the jurisdiction where the certificate is located in the case of certificated securities (as defined in the OPPSA, APPSA or the BCPPSA, as applicable);
 - (ii) the issuer's jurisdiction in the case of uncertificated securities (as defined in the OPPSA, APPSA or the BCPPSA, as applicable);
 - (iii) the security intermediary's jurisdiction in the case of a security entitlement or a securities account (as such terms are defined in the OPPSA, APPSA or the BCPPSA, as applicable); or
 - (iv) the futures intermediary's jurisdiction in the case of a futures contract or a futures account (as such terms are defined in the OPPSA, APPSA or the BCPPSA, as applicable),in each case determined at the time the security interests attaches; and
- (p) we give no opinion as to:
 - (i) the existence of, or the right, title or interest of Allied to, any property, or the ranking or priority of any security interest, charge or other interest expressed to be created by or under the GSA;
 - (ii) the creation, enforceability, validity or perfection of any security interest or other interest expressed to be created by or under the GSA with respect to any property of Allied or any proceeds of such property that are not identifiable or traceable;
 - (iii) the applicability or effect upon the GSA of any law of general application under which the GSA could be challenged arising from any alleged intention of Allied to hinder, delay, defeat or defraud creditors;

- (iv) any licences, permits or approvals that may be required in connection with the enforcement of the GSA, or the perfection of security granted in the GSA, by any secured party or other person or by a person on any of their behalf, whether, in the case of the enforcement of the GSA, such enforcement involves the operation of the business of Allied or a sale, transfer or disposition of its property and assets; or
- (v) the creation, validity, enforceability or perfection of any security interest or other interest in any property to the extent that a security interest or other interest therein is governed by the provisions of the *Railways Act* (Ontario) or a statute of Canada including, without limitation, any vessel registered under the *Canada Shipping Act* (Canada) and any rolling stock, patents, trade-marks, copyrights and other intellectual property rights.

G. Limitation

This opinion letter is limited to the matters stated herein and is addressed to you solely for your own use and benefit and may not be relied upon by any other person or for any other purpose without our prior written consent.

Very truly yours,

Blake, Cassels & Graydon LLP

SCHEDULE "A"
PERSONAL PROPERTY SEARCHES
ALLIED TRACK SERVICES INC.

CORPORATE SEARCHES (as of March 7, 2021)

Current Name	Incorporating Jurisdiction	Registered Office Address	Corporate History ²
ALLIED TRACK SERVICES INC.	Ontario	169A South Service Road Grimsby ON L3M 4H6	Incorporated in Ontario on 1987/04/30 as SWIFT RAILROAD CONTRACTORS CORPORATION Amalgamated on 2014/03/21 with: 2408122 ONTARIO LIMITED Incorporated in Ontario on 2014/02/24 Changed name to ALLIED TRACK SERVICES INC. Amalgamated on 2016/07/01 with: AV SIGNAL SERVICES HOLDINGS INC. Incorporated in Ontario on 2015/12/17 AV RAIL CONTRACTING LTD. Incorporated in Ontario on 2007/03/30

² Based on current profile report and amalgamation history. Profiles on prior names have not been reviewed.

SECURITY SEARCHES

PPSA means Personal Property Security Act

Bankruptcy means *Bankruptcy and Insolvency Act*; **S/C** means Superior Court of Justice (Toronto) and **S/B** means Superintendent of Bankruptcy and Companies

Creditors Arrangement Act (national search)

Litigation means Superior Court of Justice and for Ontario, includes *Bulk Sales Act* (active actions for the last 10 years where the entity searched is a **Defendant**)

For Ontario, the default jurisdiction for *Execution Act* and Litigation searches is Toronto

For British Columbia, the default jurisdictions for the *Creditors Assistance Act* (Execution) searches are Vancouver, New Westminster and Surrey

For Alberta, Writs of Executions are revealed under the PPSA

N/A means Not Applicable (search not available in such province), **N/S** means Not Searched

Province	Lien Searches		Other Searches		
	PPSA	Bank Act	Bankruptcy	Executions	Litigation
Ontario			N/S		N/S
ALLIED TRACK SERVICES INC.	See Appendix A	<u>Clear</u> – Mar. 7/21		Toronto and Niagara North: <u>Clear</u> – Mar. 8/21	
SWIFT RAILROAD CONTRACTORS CORPORATION	See Appendix A				
2408122 ONTARIO LIMITED	<u>Clear</u> – Jan. 7/21				
AV SIGNAL SERVICES HOLDINGS INC.	See Appendix A				
AV RAIL CONTRACTING LTD.	See Appendix A				
British Columbia		N/S	N/S	N/S	N/S
ALLIED TRACK SERVICES INC.	See Appendix A				
SWIFT RAILROAD CONTRACTORS CORPORATION	<u>Clear</u> – Jan. 7/21				
2408122 ONTARIO LIMITED	<u>Clear</u> – Jan. 7/21				

Province	Lien Searches		Other Searches		
	PPSA	Bank Act	Bankruptcy	Executions	Litigation
AV SIGNAL SERVICES HOLDINGS INC.	<u>Clear</u> – Jan. 7/21				
AV RAIL CONTRACTING LTD.	See Appendix A				
Alberta		N/S	N/A	N/A	N/S
ALLIED TRACK SERVICES INC.	See Appendix A				
SWIFT RAILROAD CONTRACTORS CORPORATION	<u>Clear</u> – Jan. 7/21				
2408122 ONTARIO LIMITED	<u>Clear</u> – Jan. 7/21				
AV SIGNAL SERVICES HOLDINGS INC.	<u>Clear</u> – Jan. 7/21				
AV RAIL CONTRACTING LTD.	See Appendix A				
Manitoba		N/S	N/S	N/S	N/S
ALLIED TRACK SERVICES INC.	See Appendix A				

Appendix A

Personal Property Security Act (Ontario)

CG means Consumer Goods, **I** means Inventory, **E** means Equipment, **A** means Accounts, **O** means Other, **MV** means Motor Vehicle Included
 The order of registration set out below is not necessarily indicative of the priority of registration
 The first eight digits of the Registration Number denote the year, month and day of registration

**ALLIED TRACK SERVICES INC.
 SWIFT RAILROAD CONTRACTORS CORPORATION
 AV SIGNAL SERVICES HOLDINGS INC.**

Current to March 7, 2021

	File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments	
				CG	I	E	A	O	MV			
1.	769223493 <i>RSLA</i>	KAL TIRE A CORPORATE PARTNERSHIP	20210114 1330 1901 6191 Reg. 01 year(s)							X	ALLIED TRACK SERVICES INC	
Amount Secured: \$1488 2015 FORD F350 (VIN: 1FT8W3B60FEC47955)												
	File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments	
				CG	I	E	A	O	MV			
2.	767274723 <i>PPSA</i>	SETAY MOTORS INC	20201102 0845 1830 3940 Reg. 05 year(s)	X		X				X	ALLIED TRACK SERVICE INC	
Amount Secured: \$56473												

		No Fixed Maturity Date									
		2021 CHEVROLET SILVERADO (VIN: 1GCUYBEF9MZ109013)									
File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments	
			CG	I	E	A	O	MV			
3.	767205504 PPSA	VALIANT FINANCIAL SERVICES INC.	20201029 1410 1901 1388 Reg. 05 year(s)		X	X	X	X	X	ALLIED TRACK SERVICES INC.	
		2021 FREIGHTLINER 114SD (VIN: 1FVHG3DV2LHMC2427) 2020 DMF 1630 RAILGEAR (VIN: 47581F-47582R) 2020 PALFINGER PK26002EH-D (VIN: 100673585) 2020 DECK 20FT DECK (VIN: CM862030553) General Collateral Description: ALL CRANE TRUCKS AND CRANE TRUCK RELATED EQUIPMENT INCLUDING BUT NOT LIMITED TO ONE (1) 2021 FREIGHTLINER 114SD, VIN 1FVHG3DV2LHMC2427, ONE (1) 2020 DECK S/N CM862030553, ONE (1) 2020 1630 RAILGEAR, S/N 47581F-47582R, ONE (1) 2020 PALFINGER PK26002EH-D S/N 100673585 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL									
File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments	
			CG	I	E	A	O	MV			
4.	767209662 PPSA	VALIANT FINANCIAL SERVICES INC.	20201029 1513 1901 1398		X	X	X	X	X	ALLIED TRACK SERVICES INC.	

			Reg. 05 year(s)								
2021 FREIGHTLINER 114SD (VIN: 1FVHG3DVXLHKU6182) 2020 DMF 1630 RAILGEAR (VIN: 47583F-47584R) 2020 DECK 20FT DECK (VIN: D1214) 2020 PALFINGER PK26002EH-D (VIN: 100673584) General Collateral Description: ALL CRANE TRUCKS AND CRANE TRUCK RELATED EQUIPMENT INCLUDING BUT NOT LIMITED TO ONE (1) 2021 FREIGHTLINER 114SD, VIN 1FVHG3DVXLHKU6182, ONE (1) 2020 DECK S/N D1214, ONE (1) 2020 1630 RAILGEAR,S/N 47583F-47584R, ONE (1) 2020 PALFINGER PK26002EH-D S/N 100673584 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATE FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL											
File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments	
			CG	I	E	A	O	MV			
5. 767173122 RSLA	INTEGRATED DISTRIBUTION SYSTEMS LP O/A WAJAX EQUIPMENT	20201028 1922 1901 1063 Reg. 01 year(s)						X	ALLIED TRACK SERVICES INC.		
Amount Secured: \$21068 2015 HITACHI ZX220W-3 (VIN: HCMCKB00P00001137)											
File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments	

	File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments
				CG	I	E	A	O	MV		
6.	765215244 PPSA	1435 RAIL, INC.	20200828 1145 1901 6639 Reg. 05 year(s)			X				ALLIED TRACK SERVICES, INC.	
No Fixed Maturity Date General Collateral Description: 2014 PETTIBONE 445E SPEEDSWING S/N SS10173-14 TOTAL REPLACEMENT COST - \$165,000.00											
7.	764677674 PPSA	VALIANT FINANCIAL SERVICES INC.	20200812 1614 1901 2506 Reg. 05 year(s)		X	X				X	ALLIED TRACK SERVICES INC.
2021 FREIGHTLINER 114SD (VIN: 3ALHG3DV93DML1069) 2020 DECK 20FT (VIN: CM862030538) 2020 DIVERSIFIED 1630 (VIN: 47255) 2020 PALFINGER PK26002EH-D (VIN: 100531930) General Collateral Description: ALL CRANE TRUCKS AND CRANE TRUCK RELATED EQUIPMENT INCLUDING BUT NOT LIMITED TO ONE (1) 2021 FREIGHTLINER 114SD VIN 3ALHG3DV93DML1069, ONE (1) 2020 DECK S/N CM862030538, ONE (1) 2020 1630 RAIL GEAR S/N 47255 AND ONE (1) 2020 PALFINGER PK26002EH-D S/N 100531930 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL											

	File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments
				CG	I	E	A	O	MV		
8.	763369353 PPSA	1435 RAIL, INC.	20200706 1253 1902 0192 Reg. 05 year(s)			X				ALLIED TRACK SERVICES, INC.	
No Fixed Maturity Date General Collateral Description: 2015 PETTIBONE SPEEDSWING 445E W/ MAGNET S/N SS10206-15 TOTAL REPLACEMENT COST - \$165,000.00											
	File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments
				CG	I	E	A	O	MV		
9.	763374069 PPSA	SETAY MOTORS INC	20200706 1437 1830 3789 Reg. 02 year(s)	X		X			X	ALLIED TRACK SERVICES INC	
Amount Secured: \$19447 No Fixed Maturity Date 2016 CHEVROLET SILVERADO (VIN: 3GCUKSEC6GG181220)											
	File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments
				CG	I	E	A	O	MV		

10.	762207111 RSLA	BRANDT TRACTOR LTD.	20200528 1829 9214 2004 Reg. 01 year(s)							X	ALLIED TRACK SERVICES LTD.	
Amount Secured: \$8000 2019 JD 120 (VIN: 1FF120CX035557) General Collateral Description: 7999.88 4200787												
File No.		Secured Party	Reg. No.	Collateral Class.							Debtor(s)	Comments
				CG	I	E	A	O	MV			
11.	762054102 PPSA	1435 RAIL, INC.	20200522 1343 1901 9614 Reg. 05 year(s)			X					ALLIED TRACK SERVICES, INC.	
No Fixed Maturity Date General Collateral Description: 2015 KERSHAW 12-12 TIE CRANE S/N 12-1464-15 TOTAL REPLACEMENT COST - \$125,000.00												
File No.		Secured Party	Reg. No.	Collateral Class.							Debtor(s)	Comments
				CG	I	E	A	O	MV			
12.	762054156 PPSA	1435 RAIL, INC.	20200522 1346 1901 9615 Reg. 05 year(s)			X					ALLIED TRACK SERVICES, INC.	
No Fixed Maturity Date												

General Collateral Description: 2011 KERSHAW 12-12 TIE CRANE S/N 12-1360-11 TOTAL REPLACEMENT COST - \$95,000.00										
File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments
			CG	I	E	A	O	MV		
13. 761034519 PPSA	SETAY MOTORS INC	20200318 1521 1830 3729 Reg. 04 year(s)	X		X				X	ALLIED TRACK SERVICES INC
Amount Secured: \$31328 No Fixed Maturity Date 2019 CHEVROLET EQUINOX (VIN: 2GNAXVEX0K6280555)										
File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments
			CG	I	E	A	O	MV		
14. 761034555 PPSA	SETAY MOTORS INC	20200318 1524 1830 3730 Reg. 03 year(s)	X		X				X	ALLIED TRACK SERVICES INC
Amount Secured: \$20797 No Fixed Maturity Date 2016 CHEVROLET SILVERADO (VIN: 1GC1KUEG2GF106369)										

	File No.	Secured Party	Reg. No.	Collateral Class.							Debtor(s)	Comments
				CG	I	E	A	O	MV			
15.	760462182 PPSA	SETAY MOTORS INC	20200228 0822 1830 3701 Reg. 04 year(s)	X		X				X	ALLIED TRACK SERVICES INC	
Amount Secured: \$76329 No Fixed Maturity Date 2020 CHEVROLET SILVERADO (VIN: 1GCUYGELXLZ198673)												
	File No.	Secured Party	Reg. No.	Collateral Class.							Debtor(s)	Comments
				CG	I	E	A	O	MV			
16.	760367898 PPSA	SETAY MOTORS INC	20200225 1457 1830 3695 Reg. 04 year(s)	X		X				X	ALLIED TRACK SERVICES INC	
Amount Secured: \$69493 No Fixed Maturity Date 2020 CHEVROLET SILVERADO (VIN: 1GCUYEED8LZ111334)												
	File No.	Secured Party	Reg. No.	Collateral Class.							Debtor(s)	Comments
				CG	I	E	A	O	MV			

17.	760109382 PPSA	BANK OF MONTREAL/BANQUE DE MONTREAL	20200213 1557 1532 3329 Reg. 5 year(s)						X	X			ALLIED TRACK SERVICES INC.	
General Collateral Description: LF269 PLEDGE OF INSTRUMENT AND ASSIGNMENT OF PROCEEDS.COLLATERAL DESCRIBED AS SHORT TERM INVESTMENT #0002-9614-073 IN THE PRINCIPAL AMOUNT OF \$9500.00.														
	File No.	Secured Party	Reg. No.	Collateral Class.							Debtor(s)	Comments		
				CG	I	E	A	O	MV					
18.	758604303 PPSA	SETAY MOTORS INC	20191216 1319 1830 3660 Reg. 02 year(s)	X		X					X		ALLIED TRACK SERVICES INC	
Amount Secured: \$21040 No Fixed Maturity Date 2015 CHEVROLET SILVERADO (VIN: 3GCUKSEC9FG378932)														
	File No.	Secured Party	Reg. No.	Collateral Class.							Debtor(s)	Comments		
				CG	I	E	A	O	MV					
19.	758448099 PPSA	2700902 ONTARIO INC.	20191210 1520 6083 7281 Reg. 5 year(s)			X							ALLIED TRACK SERVICES, INC.	
General Collateral Description: THIS IS A REREGISTRATION OF REGISTRATION NO. 20170808 1443 1902 1717/ FILE NO. 730659582 REGISTERED ON NOVEMBER 2, 2017 IN FAVOUR OF PROGRESS RAIL EQUIPMENT LEASING CORPORATION, WHICH WAS DELETED IN														

ERROR. THE REGISTRATION MENTIONED ABOVE WHICH WAS ORIGINALLY REGISTERED IN FAVOUR OF PROGRESS RAIL EQUIPMENT LEASING CORPORATION HAS SINCE BEEN ASSIGNED TO 2700902 ONTARIO INC.. 2002 HTT CHASE TAMPER - SN 153193 - TOTAL REPLACEMENT COST - \$123,049.00 2007 NU BEAR RAIL SAW - SN 441 - TOTAL REPLACEMENT COST - \$17,227.00 2012 KERSHAW BALLAST REGULATOR - SN 46-343-12RB-UG -TOTAL REPLACEMENT COST - \$201,800.00 2013 NORDCO TAMPER - SN 61904013- TOTAL REPLACEMENT COST - \$245,113.00 2014 PETTIBONE SPEEDSWING - SN SS10188-14 - TOTAL REPLACEMENT COST - \$241,176.00 2014 NORDCO LS-1- AUTO LIFT - SN 790677RB-UG - TOTAL REPLACEMENT COST - \$67,923.00 2014 NORDCO TRIPP - SN 760589 - TOTAL REPLACEMENT COST - \$321,896.00 2014 HTT MARK IV TAMPER - SN 7114114 - TOTAL REPLACEMENT COST - \$802,278.00 2014 DRAPEAU RAIL HEATER - SN 17310-1 - TOTAL REPLACEMENT COST - \$351,427.00 2015 PETTIBONE SPEEDSWING 445 - SN SS10236-15 - TOTAL REPLACEMENT COST - \$264,801.00 2015 KERSHAW 38-6 KRIBBER ADZER - SN 38-214-15 - TOTAL REPLACEMENT COST - \$290,395.00 2015 KERSHA 4600 BALLAST REGULATOR - SN 4600-201-15 - TOTAL REPLACEMENT COST - \$274,645.00 2015 KERSAHW 4600 BALLAST REGULATOR - SN 4600-202-15 -TOTAL REPLACEMENT COST - \$274,645.00 2015 HTT MARK IV TAMPER - SN 7114174 - TOTAL REPLACEMENT COST - \$881,030.00 2015 HTT MARK IV TAMPER - SN 7114195 - TOTAL REPLACEMENT COST - \$881,030.00 2015 NORDCO TRIPP - SN 760613 - TOTAL REPLACEMENT COST - \$321,896.00 2015 NORDCO TRIPP - SN 760612 - TOTAL REPLACEMENT COST - \$321,896.00 2015 NORDCO CX SPIKER W BULK - SN 410395RB-UG - TOTAL REPLACEMENT COST - \$264,801.00 2015 NORDCO CX SPIKER W BULK - SN 410397RB-UG - TOTAL REPLACEMENT COST - \$264,801.00 2015 NORDCO CX SPIKER W BULK - SN 410396RB-UG - TOTAL REPLACEMENT COST - \$264,801.00 2015 NORDCO AUTO LIFT - SN 790684RB-UG - TOTAL REPLACEMENT COST - \$72,845.00 2015 NORDCO AUTO LIFT - SN 790683RB-UG - TOTAL REPLACEMENT COST -\$72,845.00 2015 HT MARK IV TAMPER - SN 7114095 - TOTAL REPLACEMENT COST - \$881,030.00 2015 NORDCO SP2R SPIKE PULLER - SN 310349 - TOTAL REPLACEMENT COST - \$193,925.00 2015 NORDCO SP2R SPIKE PULLER - SN 310345 - TOTAL REPLACEMENT COST - \$193,925.00 2015 NORDCO M7 REGULATOR - SN 800601 - TOTAL REPLACEMENT COST - \$418,366.00 2015 KERSHAW 4600 BALLAST REGULATOR - SN 4600-215-15 - TOTAL REPLACEMENT COST - \$274,645.00 2015 NORDCO M7 REGULATOR - SN 800602 - TOTAL REPLACEMENT COST - \$418,366.00 2015 KERSHAW 4600 BALLAST REGULATOR - SN 4600-217-15 - TOTAL REPLACEMENT COST - \$284,489.00 1985 JACKSON 6700 TAMPER - SN 142414 - TOTAL REPLACEMENT COST - \$319,927.00 1988 JACKSON 6700 TAMPER - SN 143966 - TOTAL REPLACEMENT COST - \$319,927.00 2016 NORDCO LS-1 AUTO LIFT - SN 791084 - TOTAL REPLACEMENT COST - \$103,361.00 2015 KERSHAW KRIBBER ADZER - SN 38-218-15 - TOTAL REPLACEMENT COST - \$329,771.00

	File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments
				CG	I	E	A	O	MV		
20.	755502228 PPSA	SETAY MOTORS INC	20190916 1531 1830 3556 Reg. 03 year(s)	X		X				X	ALLIED TRACK SERVICES INC
		Amount Secured: \$20669									

		No Fixed Maturity Date 2015 CHEVROLET SILVERADO (VIN: 1GCVKSEC2FZ223269)										
File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments		
			CG	I	E	A	O	MV				
21.	754831251 PPSA	SETAY MOTORS INC	20190827 1331 7003 3317 Reg. 05 year(s)	X		X				X	ALLIED TRACK SERVICES INC	
Amount Secured: \$75601 No Fixed Maturity Date 2019 CHEVROLET SILVERADO 1500 (VIN: 1GCUYGED3KZ397829)												
File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments		
			CG	I	E	A	O	MV				
22.	754634898 PPSA	SETAY MOTORS INC	20190821 1408 7003 3302 Reg. 02 year(s)	X		X				X	ALLIED TRACK SERVICES INC	
Amount Secured: \$18229 No Fixed Maturity Date 2015 CHEVROLET SILVERADO (VIN: 3GCUKSECXFG398736)												

	File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments	
				CG	I	E	A	O	MV			
23.	753718365 PPSA	SETAY MOTORS INC	20190725 1011 7003 3256 Reg. 05 year(s)	X		X				X	ALLIED TRACK SERVICES INC	
Amount Secured: \$33253 No Fixed Maturity Date 2015 CHEVROLET EXPRESS CUTAWAY VAN (VIN: 1GAWGPPFF9F1144586)												
	File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments	
				CG	I	E	A	O	MV			
24.	753644925 PPSA	SETAY MOTORS INC	20190723 1529 7003 3251 Reg. 05 year(s)	X		X				X	ALLIED TRACK SERVICES INC	
Amount Secured: \$33253 No Fixed Maturity Date 2015 CHEVROLET EXPRESS CUTAWAY (VIN: 1GAWGPPFF9F1146547)												
	File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments	
				CG	I	E	A	O	MV			

25.	752739984 PPSA	SETAY MOTORS INC	20190626 1505 1830 3493 Reg. 05 year(s)	X	X				X	ALLIED TRACK SERVICES INC	
Amount Secured: \$53255 No Fixed Maturity Date 2019 CHEVROLET SILVERADO 1500 (VIN: 1GCUYBEFXKZ259516)											
	File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments
				CG	I	E	A	O	MV		
26.	752291199 PPSA	SETAY MOTORS INC	20190613 1357 7003 3208 Reg. 05 year(s)	X	X				X	ALLIED TRACK SERVICES INC	
Amount Secured: \$64652 No Fixed Maturity Date 2019 CHEVROLET BLAZER (VIN: 3GNKBJRS4KS633973)											
	File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments
				CG	I	E	A	O	MV		
27.	750712491 PPSA	SETAY MOTORS INC	20190501 0901 7003 3158 Reg. 05 year(s)	X	X				X	ALLIED TRACK SERVICES INC	

		Amount Secured: \$64168 No Fixed Maturity Date 2019 CHEVROLET SILVERADO (VIN: 1GCUYEED2KZ289741)								
File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments
			CG	I	E	A	O	MV		
28. 750712536 PPSA	SETAY MOTORS INC	20190501 0903 7003 3159 Reg. 05 year(s)	X		X				X	ALLIED TRACK SERVICES INC
		Amount Secured: \$52843 No Fixed Maturity Date 2019 CHEVROLET SILVERADO (VIN: 1GCUYBEFXKZ284481)								
File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments
			CG	I	E	A	O	MV		
29. 748254951 PPSA	SETAY MOTORS INC	20190211 1333 1830 3399 Reg. 05 year(s)	X		X				X	ALLIED TRACK SERVICES INC
		Amount Secured: \$79494 No Fixed Maturity Date 2019 GMC SIERRA (VIN: 1GTU9FEL1KZ225846)								

	File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments	
				CG	I	E	A	O	MV			
30.	745951518 PPSA	WELLS FARGO EQUIPMENT FINANCE COMPANY	20181116 1913 5064 2580 Reg. 04 year(s)			X				X	ALLIED TRACK SERVICES INC.	
2018 BOBCAT T740 (VIN: B3CA14608) 2018 BOBCAT T740 (VIN: B3CA14943) General Collateral Description: 2018 BOBCAT T740 S/N B3CA14608, 2018 BOBCAT T740 S/N B3CA14943 THE GOODS DESCRIBED HEREIN TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL. (REFERENCE NO. 9988171-001) (FOR INTERNAL USE ONLY) (AS MAY BE AMENDED OR UPDATED FROM TIME TO TIME)												
	File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments	
				CG	I	E	A	O	MV			
31.	742992741 PPSA	MERIDIAN ONECAP CREDIT CORP.	20180823 1410 1901 5502 Reg. 06 year(s)			X				X	ALLIED TRACK SERVICES INC.	
2019 LANDOLL 455B-53 (VIN: 1LH455WJ7K1B26256) General Collateral Description: TRAILER(S), RAIL PACKAGE(S), TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS												

SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL										
File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments
			CG	I	E	A	O	MV		
32. 739717668 PPSA	BANK OF MONTREAL/BANQUE DE MONTREAL	20180524 1756 1532 8537 Reg. 5 year(s)				X	X		ALLIED TRACK SERVICES INC.	
General Collateral Description: LF269 PLEDGE OF INSTRUMENT AND ASSIGNMENT OF PROCEEDS. COLLATERAL DESCRIBED AS BMO REDEEMABLE SHORT TERM INVESTMENT CERTIFICATE #0002 9627-499 IN THE PRINCIPAL AMOUNT OF \$45,000.00										
		20200904 1941 1531 0085 A AMENDMENT							ALLIED TRACK SERVICES INC. (Reference Debtor)	
Reason for Amendment: DELETE & ADD GENERAL COLLATERAL DESCRIPTION.										
General Collateral Description: DELETE- LF269 PLEDGE OF INSTRUMENT AND ASSIGNMENT OF PROCEEDS. COLLATERAL DESCRIBED AS BMO REDEEMABLE SHORT TERM INVESTMENT CERTIFICATE #0002 9627-499 IN THE PRINCIPAL AMOUNT OF \$45,000.00 ADD- LF269 PLEDGE OF INSTRUMENT AND ASSIGNMENT OF PROCEEDS. COLLATERAL DESCRIBED AS BMO REDEEMABLE SHORT TERM INVESTMENT CERTIFICATE #0002 9570-998 IN THE PRINCIPAL AMOUNT OF \$45,000.00										
File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments

				CG	I	E	A	O	MV		
33.	738120861 PPSA	ALLIED TRACK EQUIPMENT COMPANY, LLC	20180410 1632 1590 7191 Reg. 10 year(s)			X	X	X	X		ALLIED TRACK SERVICES INC.
<p>1985 JACKSON 6700 TAMPER (VIN: 142414)</p> <p>1988 JACKSON 6700 TAMPER (VIN: 143966)</p> <p>2015 NORDCO SP2R/PULLER (VIN: 310345)</p> <p>2015 NORDCO SP2R/PULLER (VIN: 310349)</p> <p>2014 NORDCO TRIPP (VIN: 760589)</p> <p>2015 NORDCO TRIPP (VIN: 760612)</p> <p>2015 NORDCO TRIPP (VIN: 760613)</p> <p>2016 NORDCO LS-1 AUTO LIFT (VIN: 791084)</p> <p>2015 NORDCO M7/REGULATOR (VIN: 800601)</p> <p>2015 NORDCO M7/REGULATOR (VIN: 800602)</p> <p>2015 HARSCO MARK IV TAMPER (VIN: 7114095)</p> <p>2014 HARSCO MARK IV TAMPER (VIN: 7114114)</p> <p>2015 HARSCO MARK IV TAMPER (VIN: 7114174)</p> <p>2015 HARSCO MARK IV TAMPER (VIN: 7114195)</p> <p>2015 KERSHAW 38-6 KRIBBER ADZER (VIN: 38-214-15)</p> <p>2015 NORDCO CX SPIKER/BIN (VIN: 410395RB-UG)</p> <p>2015 NORDCO CX SPIKER/BIN (VIN: 410396RB-UG)</p> <p>2015 NORDCO CX SPIKER/BIN (VIN: 410397RB-UG)</p> <p>2015 KERSHAW 4600/REGULATOR (VIN: 4600-201-15)</p>											

2015 KERSHAW 4600/REGULATOR (VIN: 4600-202-15)
 2015 KERSHAW 4600/REGULATOR (VIN: 4600-215-15)
 2014 NORDCO LS-1 AUTO LIFT (VIN: 790677RB-UG)
 2015 NORDCO AUTOLIFT (VIN: 790683RB-UG)
 2015 NORDCO AUTOLIFT (VIN: 790684RB-UG)
 2014 PETTIBONE SPEEDSWING (VIN: SS10188-14)
 2015 PETTIBONE SPEEDSWING 445 (VIN: SS10236-15)
 2002 HTT CHASE TAMPER (VIN: 153193)
 2013 NORDCO TAMPER (VIN: 61904013)
 2014 DRAPEAU RAIL HEATER (VIN: 17310-1)
 2016 KERSHAW KRIBBER ADZER (VIN: 38-218-16)
 2015 KERSHAW BALLAST REGULATOR (VIN: 4600-217-15)
 2012 KERSHAW BALLAST REGULATOR (VIN: 46-343-12RB-UG)
 2007 NU BEAR RAIL SAW (VIN: 441)

General Collateral Description:
 ALL OF THE GOODS, MACHINERY, EQUIPMENT AND PERSONAL PROPERTY, INCLUDING THE SERIAL-NUMBERED EQUIPMENT AS SET OUT IN THIS REGISTRATION, (THE "EQUIPMENT") AS DESCRIBED IN AN EQUIPMENT SECURITY AGREEMENT BETWEEN THE DEBTOR AND THE SECURED PARTY DATED AS OF APRIL 5, 2018, INCLUDING ALL BOOKS, PAPERS, WARRANTIES, MAINTENANCE RECORDS (INCLUDING INVOICES), DOCUMENTS AND OTHER RECORDS OF THE DEBTOR IN ANY FORM EVIDENCING OR RELATING TO ANY OF THE EQUIPMENT, AND ANY AND ALL PROCEEDS THEREFROM

File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments
			CG	I	E	A	O	MV		

34.	730960263 PPSA	INTACT INSURANCE COMPANY	20170817 1055 1862 2323 Reg. 5 year(s)		X	X	X	X	X			ALLIED TRACK SERVICES INC. KENEX HOLDINGS LLC SWIFT RAILROAD HOLDINGS U.S. LLC ALLIED TRACK EQUIPMENT COMPANY LLC 2409889 ONTARIO INC. AV SIGNAL SERVICES HOLDINGS INC.	
	File No.	Secured Party	Reg. No.	Collateral Class.							Debtor(s)	Comments	
				CG	I	E	A	O	MV				
35.	730960272 PPSA	INTACT INSURANCE COMPANY	20170817 1055 1862 2324 Reg. 5 year(s)		X	X	X	X	X			ALLIED TRACK SERVICES INC. ALLIED TRACK EQUIPMENT COMPANY LLC	
	File No.	Secured Party	Reg. No.	Collateral Class.							Debtor(s)	Comments	
				CG	I	E	A	O	MV				
36.	728511111 PPSA	SETAY MOTORS INC	20170608 0946 7003 2547	X		X				X		ALLIED TRACK SERVICES INC	

			Reg. 06 year(s)								
Amount Secured: \$69589 No Fixed Maturity Date 2017 GMC SIERRA (VIN: 3GTU2MEC0HG214273)											
File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments	
			CG	I	E	A	O	MV			
37. 727207461 PPSA	SETAY MOTORS INC	20170503 0819 7003 2488 Reg. 06 year(s)	X		X				X	ALLIED TRACK SERVICES INC	
Amount Secured: \$81177 No Fixed Maturity Date 2017 CHEVROLET SILVERADO 1500 (VIN: 3GCUKTEC1HG383566)											
File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments	
			CG	I	E	A	O	MV			
38. 725108805 PPSA	BRIDGING FINANCE INC., AS AGENT	20170227 0804 1793 2176 Reg. 5 year(s)		X	X	X	X		X	ALLIED TRACK SERVICES INC. 2409889 ONTARIO INC.	

	File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments
				CG	I	E	A	O	MV		
39.	721388043 PPSA	FORD CREDIT CANADA LIMITED	20161007 1435 1530 9070 Reg. 5 year(s)			X		X	X	ALLIED TRACK SERVICES INC.	
No Fixed Maturity Date 2016 FORD F150 (VIN: 1FTEW1EFXGFC86079)											
	File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments
				CG	I	E	A	O	MV		
40.	714998277 PPSA	CIT FINANCIAL LTD.	20160323 1422 1616 6209 Reg. 07 year(s)			X			X	ALLIED TRACK SERVICES INC.	
2016 WESTERN STAR 4900SB (VIN: 5KJRALD12GPHN1133)											
	File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments
				CG	I	E	A	O	MV		
41.	707604345 PPSA *** THIS REGISTRATION HAS	JOHN DEERE FINANCIAL INC.	20150630 1428 8077 5315 Reg. 7 year(s)			X		X	X	ALLIED TRACK SERVICES INC.	

	<i>BEEN DISCHARGED</i> **	2015 HITACHI Z230WFF (VIN: HCMLCC60A00004007)									
		20210126 1203 1465 1089 C DISCHARGE					ALLIED TRACK SERVICES INC. (Reference Debtor)				
	File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments
				CG	I	E	A	O	MV		
42.	696668544 PPSA	TRISURA GUARANTEE INSURANCE COMPANY	20140602 1005 1462 2442 Reg. 10 year(s)		X	X	X	X	X	SWIFT RAILROAD CONTRACTORS CORPORATION	
		No Fixed Maturity Date									
			20150330 1703 1462 3805 A AMENDMENT							SWIFT RAILROAD CONTRACTORS CORPORATION (Reference Debtor)	
										ALLIED TRACK SERVICES INC.	

		Reason for Amendment: AMENDING DEBTOR NAME AND ADDRESS
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AV RAIL CONTRACTING LTD.

Current to March 7, 2021

	File No.	Secured Party	Reg. No.	Collateral Class.						Debtor(s)	Comments
				CG	I	E	A	O	MV		
1.	714519693 PPSA	TRISURA GUARANTEE INSURANCE COMPANY	20160304 1402 1462 0706 Reg. 10 year(s) Expires 04MAR 2026		X	X	X	X	X	AV RAIL CONTRACTING LTD.	
		No Fixed Maturity Date									

Personal Property Security Act (British Columbia)

The order of registration set out below is not necessarily indicative of the priority of registration

ALLIED TRACK SERVICES INC.

Current to March 7, 2021

	Reg. No.	Debtors	Secured Parties
1.	Base Registration: 289205J PPSA SECURITY AGREEMENT Reg. 10 YEARS 16MAY2016 8:19:02 AM Expires: 16MAY2026	ALLIED TRACK SERVICES INC.	TRISURA GUARANTEE INSURANCE COMPANY
	INVENTORY EQUIPMENT ACCOUNTS MOTOR VEHICLES INCL OTHER		
	Reg. No.	Debtors	Secured Parties
2.	Base Registration: 843918J PPSA SECURITY AGREEMENT Reg. 5 YEARS 27FEB2017 5:59:18 AM Expires: 27FEB2022	ALLIED TRACK SERVICES INC 2409889 ONTARIO INC	BRIDGING FINANCE INC., AS AGENT
	ALL OF THE DEBTORS' PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.		

	Reg. No.	Debtors	Secured Parties
3.	Base Registration: 103249L PPSA SECURITY AGREEMENT Reg. 3 YEARS 22OCT2018 10:46:09 AM Expires: 22OCT2021	ALLIED TRACK SERVICES INC.	WHEATON CHEVROLET BUICK CADILLAC GMC LTD.
MV (3GTU2PEJXJG336547 2018 GMC SIERRA DENALI 1500)			
	Reg. No.	Debtors	Secured Parties
4.	Base Registration: 398595M PPSA SECURITY AGREEMENT Reg. 5 YEARS 12AUG2020 12:47:46 PM Expires: 12AUG2025	ALLIED TRACK SERVICES INC.	VALIANT FINANCIAL SERVICES INC.
MV (3ALHG3DV93DML1069 2021 FREIGHTLINER 114SD) MV (CM862030538 2020 DECK 20FT) MV (47255 2020 DIVERSIFIED 1630) MV (100531930 2020 PALFINGER PK26002EH-D) ALL CRANE TRUCKS AND CRANE TRUCK RELATED EQUIPMENT INCLUDING BUT NOT LIMITED TO ONE (1) 2021 FREIGHTLINER 114SD VIN 3ALHG3DV93DML1069, ONE (1) 2020 DECK S/N CM862030538, ONE (1) 2020 1630 RAIL GEAR S/N 47255 AND ONE (1) 2020 PALFINGER PK26002EH-D S/N 100531930 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT			

	INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL		
	Reg. No.	Debtors	Secured Parties
5.	Base Registration: 561537M PPSA SECURITY AGREEMENT Reg. 5 YEARS 29OCT2020 11:13:43 AM Expires: 29OCT2025	ALLIED TRACK SERVICES INC.	VALIANT FINANCIAL SERVICES INC.
	MV (1FVHG3DV2LHMC2427 2021 FREIGHTLINER 114SD) MV (47581F-47582R 2020 DMF 1630 RAILGEAR) MV (100673585 2020 PALFINGER PK26002EH-D) MV (CM862030553 2020 DECK 20FT DECK) ALL CRANE TRUCKS AND CRANE TRUCK RELATED EQUIPMENT INCLUDING BUT NOT LIMITED TO ONE (1) 2021 FREIGHTLINER 114SD, VIN 1FVHG3DV2LHMC2427, ONE (1) 2020 DECK S/N CM862030553, ONE (1) 2020 1630 RAILGEAR, S/N 47581F-47582R, ONE (1) 2020 PALFINGER PK26002EH-D S/N 100673585 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL		
	Reg. No.	Debtors	Secured Parties
6.	Base Registration: 561961M PPSA SECURITY AGREEMENT Reg. 5 YEARS 29OCT2020 12:34:57 PM	ALLIED TRACK SERVICES INC.	VALIANT FINANCIAL SERVICES INC.

	Expires: 29OCT2025		
	<p>MV (1FVHG3DVXLHKG6182 2021 FREIGHTLINER 114SD) MV (47583F-47584R 2020 DMF 1630 RAILGEAR) MV (D1214 2020 DECK 20FT DECK) MV (100673584 2020 PALFINGER PK26002EH-D)</p> <p>ALL CRANE TRUCKS AND CRANE TRUCK RELATED EQUIPMENT INCLUDING BUT NOT LIMITED TO ONE (1) 2021 FREIGHTLINER 114SD, VIN 1FVHG3DVXLHKG6182, ONE (1) 2020 DECK S/N D1214, ONE (1) 2020 1630 RAILGEAR,S/N 47583F-47584R, ONE (1) 2020 PALFINGER PK26002EH-D S/N 100673584 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATE FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL</p>		
	Reg. No.	Debtors	Secured Parties
7.	Base Registration: 706826M MISCELLANEOUS REGISTRATIONS ACT Reg. INFINITY 13JAN2021 2:58:46 PM	ALLIED TRACK SERVICES INC.	HER MAJESTY THE QUEEN IN THE RIGHT OF THE PROVINCE OF BRITISH COLUMBIA
	ALL THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY, INCLUDING BUT NOT RESTRICTED TO MACHINERY, EQUIPMENT, FURNITURE, FIXTURES, INVENTORY AND RECEIVABLES.		
	Reg. No.	Debtors	Secured Parties
8.	Base Registration: 708337M	ALLIED TRACK SERVICES INC	KAL TIRE A CORPORATE PARTNERSHIP

<p>REPAIRERS LIEN ACT</p> <p>Reg. 180 DAYS 14JAN2021 10:31:21 AM</p> <p>Amount of Lien: \$1488.33 Surrender Date: 13JAN2021</p> <p>Expires: 13JUL2021</p>		
<p>MV (1FT8W3B60FEC47955 2015 FORD F350)</p>		

AV RAIL CONTRACTING LTD.

Current to March 7, 2021

	Reg. No.	Debtors	Secured Parties
1.	Base Registration: 149014J PPSA SECURITY AGREEMENT Reg. 10 YEARS 04MAR2016 8:11:42 AM Expires: 04MAR2026	AV RAIL CONTRACTING LTD.	TRISURA GUARANTEE INSURANCE COMPANY
	INVENTORY EQUIPMENT ACCOUNTS MOTOR VEHICLES INCL. OTHER		

Personal Property Security Act (Alberta)

The order of registration set out below is not necessarily indicative of the priority of registration

Current to March 7, 2021

ALLIED TRACK SERVICES INC.

	Enquiry Page No.	Reg. No.	Debtors	Secured Parties
1.	2	16051611401 SECURITY AGREEMENT Date: 2016-MAY-16 Expires: 2026-MAY-16 23:59:59	ALLIED TRACK SERVICES INC. 169A SOUTH SERVICE ROAD GRIMSBY, ON L3M4H6 (Current)	TRISURA GUARANTEE INSURANCE COMPANY 333 BAY STREET SUITE 1610, BOX 22 TORONTO, ON M5H2R2 (Current)
<u>General Collateral</u> INVENTORY EQUIPMENT ACCOUNTS MOTOR VEHICLES INCL OTHER				
	Enquiry Page No.	Reg. No.	Debtors	Secured Parties
2.	3	17022713977 SECURITY AGREEMENT Date: 2017-FEB-27 Expires: 2022-FEB-27 23:59:59	ALLIED TRACK SERVICES INC. 169A SOUTH SERVICE ROAD GRIMSBY, ON L3M4H6 (Current) 2409889 ONTARIO INC. 169A SOUTH SERVICE ROAD GRIMSBY, ON L3M4H6 (Current)	BRIDGING FINANCE INC., AS AGENT 77 KING STREET WEST, SUITE 2925 TORONTO, ON M5K1K7 (Current)
<u>General Collateral</u> ALL OF THE DEBTORS' PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.				

	Enquiry Page No.	Reg. No.	Debtors	Secured Parties
3.	4	17022714156 LAND CHARGE Date: 2017-FEB-27 Term: Infinity	ALLIED TRACK SERVICES INC. 169A SOUTH SERVICE ROAD GRIMSBY, ON L3M4H6 (Current) 2409889 ONTARIO INC. 169A SOUTH SERVICE ROAD GRIMSBY, ON L3M4H6 (Current)	BRIDGING FINANCE INC., AS AGENT 77 KING STREET WEST, SUITE 2925 TORONTO, ON M5K1K7 (Current)
	Enquiry Page No.	Reg. No.	Debtors	Secured Parties
4.	5	17101024994 SECURITY AGREEMENT Date: 2017-OCT-10 Expires: 2022-OCT-10 23:59:59	ALLIED TRACK SERVICES INC. 1700, 10175 – 101 STREET NW EDMONTON, AB T5J 0H3 (Current)	LABORERS' PENSION FUND OF WESTERN CANADA, TRUST C/O 10154 – 108 STREET NW EDMONTON, AB T5J 1L3 (Current)
<p><u>General Collateral</u> All present and after-acquired personal property of the Debtor. The security interest of the Secured Party arises pursuant to section 60(2) of the Employment Pension Plans Act.</p> <p><u>Particulars</u> The complete address of the Secured Party in Block 1 is: c/o Funds Administrative Service Inc., 10154 – 108 Street NW, Edmonton, Alberta T5J 1L3.</p>				
	Enquiry Page No.	Reg. No.	Debtors	Secured Parties
5.	6	18041908654 SECURITY AGREEMENT Date: 2018-APR-19	ALLIED TRACK SERVICES INC. C/O 169A SOUTH SERVICE ROAD GRIMSBY, ON L3M 4H6 (Current)	ALLIED TRACK EQUIPMENT COMPANY, LLC 1605 S. STATE ST., SUITE 112 CHAMPAIGN, IL 61820 (Current)

		Expires: 2028-APR-19 23:59:59		ALLIED TRACK EQUIPMENT COMPANY, LLC 1605 S. STATE ST., SUITE 112 CHAMPAIGN, IL 61820 (Current)
General Collateral				
<p>ALL OF THE GOODS, MACHINERY, EQUIPMENT AND PERSONAL PROPERTY, INCLUDING THE SERIAL-NUMBERED EQUIPMENT AS SET OUT BELOW IN THIS REGISTRATION, (THE "EQUIPMENT") AS DESCRIBED IN AN EQUIPMENT SECURITY AGREEMENT BETWEEN THE DEBTOR AND THE SECURED PARTY DATED AS OF APRIL 5, 2018, INCLUDING ALL BOOKS, PAPERS, WARRANTIES, MAINTENANCE RECORDS (INCLUDING INVOICES), DOCUMENTS AND OTHER RECORDS OF THE DEBTOR IN ANY FORM EVIDENCING OR RELATING TO ANY OF THE EQUIPMENT, AND ANY AND ALL PROCEEDS THEREFROM SERIAL-NUMBERED EQUIPMENT: 1985 JACKSON 6700 TAMPER 142414 1988 JACKSON 6700 TAMPER 143966 2015 NORDCO TRIPP 760613 2016 NORDCO LS-1 AUTO LIFT 791084 2015 NORDCO M7/REGULATOR 800601 2015 NORDCO M7/REGULATOR 800602 2015 HARSCO MARK IV TAMPER 7114095 2014 HARSCO MARK IV TAMPER 7114114 2015 HARSCO MARK IV TAMPER 7114174 2015 HARSCO MARK IV TAMPER 7114195 2015 KERSHAW 38-6 KRIBBER ADZER 38-214-15 2015 NORDCO CX SPIKER/BIN 410395RB-UG 2015 NORDCO CX SPIKER/BIN 410396RB-UG 2015 NORDCO CX SPIKER/BIN 410397RB-UG 2015 KERSHAW 4600/REGULATOR 4600-201-15 2015 KERSHAW 4600/REGULATOR 4600-202-15 2015 KERSHAW 4600/REGULATOR 4600-215-15 2014 NORDCO LS-1 AUTO LIFT 790677RB-UG 2015 NORDCO AUTOLIFT 790683RB-UG 2015 NORDCO AUTOLIFT 790684RB-UG 2014 PETTIBONE SPEEDSWING SS10188-14 2015 PETTIBONE SPEEDSWING 445 SS10236-15 2002 HTT CHASE TAMPER 153193 2013 NORDCO TAMPER 61904013 2014 DRAPEAU RAIL HEATER 17310-1 2016 KERSHAW KRIBBER ADZER 38-218-16 2015 KERSHAW BALLAST REGULATOR 4600-217-15 2012 KERSHAW BALLAST REGULATOR 46-343-12RB-UG 2007 NU BEAR RAIL SAW 441</p>				
	Enquiry Page No.	Reg. No.	Debtors	Secured Parties
6.	8	20081222505 SECURITY AGREEMENT Date: 2020-AUG-12 Expires: 2025-AUG-12 23:59:59	<p>ALLIED TRACK SERVICES INC. 169A SOUTH SERVICE ROAD GRIMSBY, ON L3M 4H6 (Current)</p> <p>ALLIED TRACK SERVICES INC. 9995 DALLAS DRIVE KAMLOOPS, BC V2C 6T4 (Current)</p> <p>ALLIED TRACK SERVICES INC. 3828 15A STREET SE CALGARY, AB T2G 3N8 (Current)</p>	VALIANT FINANCIAL SERVICES INC. STE 426 – 505 8840 210 STREET LANGLEY, BC V1M 2Y2 Email: absecparties@avssystems.ca (Current)

General Collateral

ALL CRANE TRUCKS AND CRANE TRUCK RELATED EQUIPMENT INCLUDING BUT NOT LIMITED TO ONE (1) 2021 FREIGHTLINER 114SD VIN 3ALHG3DV93DML1069, ONE (1) 2020 DECK S/N CM862030538, ONE (1) 2020 1630 RAIL GEAR S/N 47255 AND ONE (1) 2020 PALFINGER PK26002EH-D S/N 100531930 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL

Serial Collateral

MV – Motor Vehicle (3ALHG3DV93DML1069) 2021 FREIGHTLINER 114SD
 MV – Motor Vehicle (CM862030538) 2020 DECK 20FT
 MV – Motor Vehicle (47255) 2020 DIVERSIFIED 1630
 MV – Motor Vehicle (100531930) 2020 PALFINGER PK26002EH-D

	Enquiry Page No.	Reg. No.	Debtors	Secured Parties
7.	10	20102920406 SECURITY AGREEMENT Date: 2020-OCT-29 Expires: 2025-OCT-29 23:59:59	ALLIED TRACK SERVICES INC. 169A SOUTH SERVICE ROAD GRIMSBY, ON L3M 4H6 (Current) ALLIED TRACK SERVICES INC. 9995 DALLAS DRIVE KAMLOOPS,, BC V2C 6T4 (Current) ALLIED TRACK SERVICES INC. 3828 15A STREET SE CALGARY, AB T2G 3N8 (Current)	VALIANT FINANCIAL SERVICES INC. STE 426 – 505 8840 210 STREET LANGLEY, BC V1M 2Y2 Email: absecparties@avssystems.ca (Current)

General Collateral

ALL CRANE TRUCKS AND CRANE TRUCK RELATED EQUIPMENT INCLUDING BUT NOT LIMITED TO ONE (1) 2021 FREIGHTLINER 114SD, VIN 1FVHG3DV2LHMC2427, ONE (1) 2020 DECK S/N CM862030553, ONE (1) 2020 1630 RAILGEAR, S/N 47581F- 47582R, ONE (1) 2020 PALFINGER PK26002EH-D S/N 100673585 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL

Serial Collateral

MV – Motor Vehicle (1FVHG3DV2LHMC2427) 2021 FREIGHTLINER 114SD
 MV – Motor Vehicle (47581F47582R) 2020 DMF 1630 RAILGEAR

MV – Motor Vehicle (100673585) 2020 PALFINGER PK26002EH-D MV – Motor Vehicle (CM862030553) 2020 DECK 20FT DECK				
	Enquiry Page No.	Reg. No.	Debtors	Secured Parties
8.	12	20102924384 SECURITY AGREEMENT Date: 2020-OCT-29 Expires: 2025-OCT-29 23:59:59	ALLIED TRACK SERVICES INC. 169A SOUTH SERVICE ROAD GRIMSBY, ON L3M 4H6 (Current) ALLIED TRACK SERVICES INC. 9995 DALLAS DRIVE KAMLOOPS,, BC V2C 6T4 (Current) ALLIED TRACK SERVICES INC. 3828 15A STREET SE CALGARY,, AB T2G 3N8 (Current)	VALIANT FINANCIAL SERVICES INC. STE 426 – 505 8840 210 STREET LANGLEY, BC V1M 2Y2 Email: absecparties@avssystems.ca (Current)
<p>General Collateral ALL CRANE TRUCKS AND CRANE TRUCK RELATED EQUIPMENT INCLUDING BUT NOT LIMITED TO ONE (1) 2021 FREIGHTLINER 114SD, VIN 1FVHG3DVLHKGU6182, ONE (1) 2020 DECK S/N D1214, ONE (1) 2020 1630 RAILGEAR,S/N 47583F-47584R, ONE (1) 2020 PALFINGER PK26002EH-D S/N 100673584 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATE FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL</p> <p>Serial Collateral MV – Motor Vehicle (1FVHG3DVLHKGU6182) 2021 FREIGHTLINER 114SD MV – Motor Vehicle (47583F47584R) 2020 DMF 1630 RAILGEAR MV – Motor Vehicle (D1214) 2020 DECK 20FT DECK MV – Motor Vehicle (100673584) 2020 PALFINGER PK26002EH-D</p>				

AV RAIL CONTRACTING LTD.

Current to March 7, 2021

	Enquiry Page No.	Reg. No.	Debtors	Secured Parties
1.	2	16030410611 SECURITY AGREEMENT Date: 2016-MAR-04 Expires: 2026-MAR-04 23:59:59	AV RAIL CONTRACTING LTD. 3006 - 32ND AVENUE VERNON, BC V1T2L7 (Current)	TRISURA GUARANTEE INSURANCE COMPANY 333 BAY STREET SUITE 1610, BOX 22 TORONTO, ON M5H2R2 (Current)
<u>General Collateral</u> INVENTORY EQUIPMENT ACCOUNTS MOTOR VEHICLES INCL. OTHER				

Personal Property Security Act (Manitoba)

The order of registration set out below is not necessarily indicative of the priority of registration

Current to March 7, 2021

ALLIED TRACK SERVICES INC.

	Reg. No.	Debtors	Secured Parties
1.	201806580100 The Personal Property Security Act 18APR2018 Expires: 17APR2023 Perfection in Another Jurisdiction	ALLIED TRACK SERVICES INC. C/O 169A SOUTH SERVICE ROAD GRIMSBY, ON L3M 4H6 CA	ALLIED TRACK EQUIPMENT COMPANY, LLC 1605 S. STATE ST., SUITE 112 CHAMPAIGN, IL 61820 US
<p>General Collateral ALL OF THE GOODS, MACHINERY, EQUIPMENT AND PERSONAL PROPERTY, INCLUDING THE SERIAL-NUMBERED EQUIPMENT AS SET OUT IN THIS REGISTRATION, (THE "EQUIPMENT") AS DESCRIBED IN AN EQUIPMENT SECURITY AGREEMENT BETWEEN THE DEBTOR AND THE SECURED PARTY DATED AS OF APRIL 5, 2018, INCLUDING ALL BOOKS, PAPERS, WARRANTIES, MAINTENANCE RECORDS (INCLUDING INVOICES), DOCUMENTS AND OTHER RECORDS OF THE DEBTOR IN ANY FORM EVIDENCING OR RELATING TO ANY OF THE EQUIPMENT, AND ANY AND ALL PROCEEDS THEREFROM</p> <p>Serial Collateral Motor Vehicle (7114174) 2015 2015 HARSCO MARK IV TAMPER Motor Vehicle (7114195) 2015 2015 HARSCO MARK IV TAMPER Motor Vehicle (38-214-15) 2015 2015 KERSHAW 38-6 KRIBBER ADZER Motor Vehicle (410395RB-UG) 2015 2015 NORDCO CX SPIKER/BIN Motor Vehicle (410396RB-UG) 2015 2015 NORDCO CX SPIKER/BIN Motor Vehicle (410397RB-UG) 2015 2015 NORDCO CX SPIKER/BIN Motor Vehicle (4600-201-15) 2015 2015 KERSHAW 4600/REGULATOR Motor Vehicle (4600-202-15) 2015 2015 KERSHAW 4600/REGULATOR Motor Vehicle (4600-215-15) 2015 2015 KERSHAW 4600/REGULATOR Motor Vehicle (790677RB-UG) 2014 2014 NORDCO LS-1 AUTO LIFT Motor Vehicle (142414) 1985 1985 JACKSON 6700 TAMPER Motor Vehicle (143966) 1988 1988 JACKSON 6700 TAMPER Motor Vehicle (310345) 2015 2015 NORDCO SP2R/PULLER Motor Vehicle (310349) 2015 2015 NORDCO SP2R/PULLER Motor Vehicle (760589) 2014 2014 NORDCO TRIPP</p>			

	Motor Vehicle (760612) 2015 2015 NORDCO TRIPP Motor Vehicle (760613) 2015 2015 NORDCO TRIPP Motor Vehicle (791084) 2016 2016 NORDCO LS-1 AUTO LIFT Motor Vehicle (800601) 2015 2015 NORDCO M7/REGULATOR Motor Vehicle (800602) 2015 2015 NORDCO M7/REGULATOR Motor Vehicle (7114095) 2015 2015 HARSCO MARK IV TAMPER Motor Vehicle (7114114) 2014 2014 HARSCO MARK IV TAMPER Motor Vehicle (790683RB-UG) 2015 2015 NORDCO AUTOLIFT Motor Vehicle (790684RB-UG) 2015 2015 NORDCO AUTOLIFT Motor Vehicle (SS10188-14) 2014 2014 PETTIBONE SPEEDSWING Motor Vehicle (SS10236-15) 2015 2015 PETTIBONE SPEEDSWING 445 Motor Vehicle (153193) 2002 2002 HTT CHASE TAMPER Motor Vehicle (61904013) 2013 2013 NORDCO TAMPER Motor Vehicle (17310-1) 2014 2014 DRAPEAU RAIL HEATER Motor Vehicle (38-218-16) 2016 2016 KERSHAW KRIBBER ADZER Motor Vehicle (4600-217-15) 2015 2015 KERSHAW BALLAST REGULATOR Motor Vehicle (46-343-12RB-UG) 2012 2012 KERSHAW BALLAST REGULATOR Motor Vehicle (441) 2007 2007 NU BEAR RAIL SAW		
	Reg. No.	Debtors	Secured Parties
2.	201703296900 <i>The Personal Property Security Act</i> 27FEB2017 Expires: 27FEB2022	ALLIED TRACK SERVICES INC. 169A SOUTH SERVICE ROAD GRIMSBY, ON L3M4H6 Canada 2409889 ONTARIO INC.	BRIDGING FINANCE INC., AS AGENT 77 KING STREET WEST, SUITE 2925 TORONTO, ON M5K1K7 Canada
<u>General Collateral</u> THE SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTORS' PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.			
	Reg. No.	Debtors	Secured Parties
3.	201609003605 <i>The Personal Property Security Act</i> 16MAY2016	ALLIED TRACK SERVICES INC. 169A SOUTH SERVICE ROAD GRIMSBY, ON L3M4H6 Canada	TRISURA GUARANTEE INSURANCE COMPANY 333 BAY STREET SUITE 1610, BOX 22 TORONTO, ON M5H2R2 Canada

	Expires: 16MAY2026		
	<u>General Collateral</u> INVENTORY EQUIPMENT ACCOUNTS MOTOR VEHICLES INCL OTHER		



March 8, 2021

Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000
Toronto, ON M5L 1A9

- and -

KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

Dear Sir:

**Re: Allied Track Services Inc. (the “Borrower”)
2409889 Ontario Inc. (“240”)
Swift Railroad Holdings U.S. LLC (“Swift”)
Pittsburg Bottom Line, L.L.C. (“Bottom Line”)
Bridging Finance Inc. (the “Agent”), as agent for certain lenders from time
to time under the Amended and Restated Credit Agreement dated
November 15, 2017**

Reference is made to the Amended and Restated Credit Agreement dated November 15, 2017 among the Agent, as agent for the Lenders, the Borrower, as borrower, and 240 and Swift, as Guarantors (the “**Credit Agreement**”). We understand that Bottom Line has executed a joinder to the Credit Agreement dated November 27, 2017, pursuant to which Bottom Line has become a Guarantor under the Credit Agreement. Capitalized terms used but not defined herein have the meaning ascribed to such terms in the Credit Agreement.

In accordance with your instructions, we have reviewed the following documents (collectively, the “**Credit Documents**”):

1. the Credit Agreement;
2. a General Security Agreement given by the Borrower to the Agent dated March 8, 2017 (the “**Borrower GSA**”);¹

¹ We note that there appears to be a typographical error in the Borrower GSA discussed below in Qualification #9, which error we do not believe to be sufficiently material or misleading to impact our opinions herein.



3. a Subordination and Postponement Agreement among the Agent and Trisura Guarantee Insurance Company (“**Trisura**”) dated March 2, 2017 (the “**Trisura Priority Agreement**”);

4. an Acknowledgement and Confirmation of Security Agreement given by the Borrower, 240 and Swift to the Agent and dated November 15, 2017 (the “**November 15 Acknowledgement and Confirmation**”); and

5. an Acknowledgement and Confirmation of Security Agreement given by the Borrower and the Guarantors to the Agent and dated November 27, 2017 (the “**November 27 Acknowledgement and Confirmation**” and, together with the November 15 Acknowledgement and Confirmation, the “**Acknowledgement and Confirmation**”).

It is our understanding that the Lenders have provided certain credit facilities (the “**Credit Facilities Loans**”) to the Borrower as described in the Credit Agreement.

Our opinions below are expressed in respect of and limited to the laws of the Province of Manitoba and the federal laws of Canada applicable therein in effect on the date hereof (the “**Applicable Law**”), and we express no opinion herein as to the laws of any other jurisdiction. For greater certainty, no opinion is expressed with respect to the laws of any other jurisdiction to the extent those laws may govern the validity, perfection, effect of perfection or non-perfection or enforcement of the security interests as a result of the application of conflict of laws rules under Applicable Law including, without limitation, those contained in *The Personal Property Security Act* (Manitoba) (the “**PPSA**”). In addition, we express no opinion as to whether, pursuant to such conflict of laws rules, Applicable Law would govern the validity, perfection, effect of perfection or non-perfection or enforcement of those security interests.

Our opinions herein are limited to a consideration of: (i) the Credit Facilities Loans; and (ii) the validity, effectiveness and perfection of security interests charges created and constituted by the GSA.

GSA AND PERSONAL PROPERTY SECURED BY THE MORTGAGE

1. In our opinion, the provisions of the GSA, as confirmed by the Acknowledgement and Confirmation, are effective to create and constitute in favour of the Agent a valid and effective security interest in, to and under all of the Borrower’s personal property (excluding the “Excluded Property” as contemplated in the GSA) located in Manitoba and described as “Collateral” in the GSA (collectively, the “**Personal Property**”).

2. In our opinion, the security interests in Personal Property created by the GSA have been perfected to the extent capable of perfection by registration at the Manitoba Personal Property



Registry (the “PPR”) under the PPSA to secure payment and performance of the lawful obligations of the Borrower described in the GSA.

For the purposes of this opinion, “located” means physically located in Manitoba or deemed by law to be located in the Manitoba. For example, the PPSA deems that certain types of a debtor’s tangible assets (such as motor vehicles) and a debtor’s receivables and other intangible assets are located in the jurisdiction of a debtor’s place of business, or at its executive office if it has more than one place of business.

SEARCHES

We have conducted or caused to be conducted the following searches:

1. A business debtor search of the Borrower and results therefrom recording registrations in the PPR in relation to the Borrower as at 8:11:24 AM on March 8, 2021.
2. Searches for registrations in Manitoba of notices of intention to give security under section 427 of the *Bank Act* in relation to the Borrower dated March 8, 2021, the results of which confirmed no registrations.

We have provided you with copies of the search results described above. We have relied on the accuracy and completeness of the above-described searches in providing the opinions contained herein

GENERAL ASSUMPTIONS AND QUALIFICATIONS

Assumptions

Our opinions set forth above are based upon the usual assumptions as to capacity, authorization, execution, delivery, consideration, enforceability, genuineness of signatures, correctness of names, validity of existence, adequacy of description of the collateral, attachment, rights in collateral and accuracy and completeness of filing systems.

Several such “usual assumptions” are important in their impact on your security as they pertain to the Personal Property, and we therefore highlight them as follows:

1. We have assumed that: (i) the Borrower is existing under the laws of its jurisdiction of incorporation; (ii) that all necessary corporate action has been taken by the Borrower, including any action under any Unanimous Shareholder Agreement or similar agreement, to authorize the execution, delivery and performance by the Borrower of the Credit Documents; (iii) that the Borrower has duly executed the Credit Documents; (iv) that the Credit Documents are enforceable against the parties thereto in accordance with their terms; and (v) that the execution and delivery by the Borrower of the Credit Documents and the performance by the Borrower of its rights and obligations thereunder do not breach, violate, contravene, constitute a default under or conflict with the provisions of its constating documents, bylaws or any law, statute or



regulation applicable to the Borrower or any other agreement, document or instrument to which it is a party or is subject or is bound;

2. We have taken no steps to provide the notices or to obtain the acknowledgments prescribed in Part VII of the *Financial Administration Act* (Canada) relating to the assignment of federal Crown debts or to obtain the acknowledgment of the Government of Manitoba under *The Law of Property Act* (Manitoba) related to the assignment of any monies due or accruing due or to be payable by the Government of Manitoba (“**Provincial Crown Debts**”). An assignment of federal Crown debts that does not comply with the *Financial Administration Act* (Canada) is ineffective as between the assignor and the assignee and as against the Crown. An assignment of Provincial Crown Debts that does not comply with *The Law of Property Act* (Manitoba) is ineffective as between the assignor and the assignee and as against the Government of Manitoba. Consequently, White Oak would not have a valid security interest in federal Crown debts or Provincial Crown Debts unless the *Financial Administration Act* (Canada) or *The Law of Property Act* (Manitoba) are complied with;

3. We have assumed that none of the Personal Property consists of fixtures or growing crops located on land in Manitoba, or rental payments arising from land in Manitoba; and

4. We have assumed that none of the Personal Property is of a nature that makes registrations advisable under the *Patent Act* (Canada), the *Trade-marks Act* (Canada), the *Industrial Designs Act* (Canada), the *Integrated Circuit Topography Act* (Canada), the *Copyright Act* (Canada), the *Plant Breeders’ Rights Act* (Canada), the *Canada Shipping Act*, the *Canada Transportation Act*, or *The Provincial Railways Act* (Manitoba), and we express no opinion as to the creation, enforceability or perfection of any security interest or other interest to the extent such security interest or other interest is governed by any such legislation.

If any such assumptions are inaccurate, then you should contact us to discuss the impact thereof.

Qualifications

Our opinions set forth above are subject to what are usual or normal qualifications for Applicable Law which are not recited in full herein and which, in our view, would not make the remedies provided for in the GSA inadequate or security interests thereunder generally ineffective. In addition, however, we specifically draw your attention to the following qualifications:

1. We express no opinion with respect to the validity, creation or perfection of any security interest, nor the necessity for any searches, registrations, filings, notices, consents or approvals, with respect to:

(a) any property which is now or hereafter becomes a fixture, a growing crop or rental payments arising from land in Manitoba;

(b) any property which now or hereafter is serial numbered goods (as defined in the Regulations to the PPSA) used by a debtor as equipment;



- (c) permits, quotas or other property which are neither personal property nor an interest in land;
- (d) any policy of insurance or contract of annuity;
- (e) any present or future wages, salary, pay, commission or other compensation for labour or personal services other than fees for professional services;
- (f) any security interest or other interest expressed to be created by or under the Credit Documents with respect to any property of the Borrower or any proceeds of such property that are not identifiable or traceable;
- (g) an unearned right to payment under a contract to a transferee who is to perform the transferor's obligations under the contract;
- (h) any interest in land or right to payment that arises in connection with an interest in land, or any recorded claims, licences, mineral leases, patents or exploration permits respecting minerals governed by *The Mines and Minerals Act* (Manitoba), or any lease or exploration reservation in respect of any Crown oil and gas rights governed by *The Oil and Gas Act* (Manitoba);
- (i) damages in tort;
- (j) any property to the extent that security agreements with respect to such property are governed by or subject to the provisions of an Act of the Parliament of Canada, including, without limitation, any property affected by an interest granted pursuant to the *Bank Act*, any vessel registered under the *Canada Shipping Act*, aircraft, rolling stock, integrated circuit topographies, any patents, trademarks or other intellectual property rights, debts owing by the Crown or collateral governed by or subject to the *Telecommunications Act* (Canada);
- (k) any property for which, pursuant to applicable conflicts rules (including, without limitation, the conflicts rules of applicable personal property security legislation), the validity, perfection and the effect of perfection are governed by the laws of a jurisdiction other than the Province of Manitoba;
- (l) the applicability or effect upon the Credit Documents of any law of general application under which the Credit Documents (or any of them) could be challenged arising from any alleged intention of the Borrower to hinder, delay, defeat or defraud creditors;
- (m) any licences, permits or approvals that may be required in connection with the enforcement of the Credit Documents (or any of them), or the perfection of security granted in the Credit Documents, by any secured party or other person or by a person on any of their behalf, whether, in the case of the enforcement of the Credit Documents, such enforcement involves the operation of the business of the Borrower or a sale, transfer or disposition of its property and assets;



2. We express no opinion as to the right, title, interest or ownership of the Borrower in and to any Personal Property, or to the ranking or priority of any security interest, charge or other interest expressed to be created by or under the Credit Documents;
3. We express no opinion as to whether or not any security interest has attached;
4. We express no opinion as to any actions that may be required to be taken by any person in the future to maintain the perfection of the registrations;
5. We express no opinion on the application of the *Convention on International Interests in Mobile Equipment*, the *Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment*, or the *International Interests in Mobile Equipment (aircraft equipment) Act* (Canada) and any equivalent provincial and territorial legislation;
6. Our opinion does not apply to security interests granted by the Borrower and perfected by the filing of a financing statement under any names other than the present name of the Borrower as set out herein;
7. To the extent that the security interests contained in the documents include an interest in real property, fixtures or goods that may become fixtures, the security interest in such collateral may not be enforceable against third parties unless such security describes the collateral, identifies the real property concerned and is registered against such real property;
8. The Personal Property may include “securities”, whether certificated or uncertificated, “securities entitlements”, “securities accounts”, “futures contracts”, “futures accounts”, or other “investment property” as defined in the PPSA, which requires additional steps to be taken to perfect or continue perfection of a security interest under *The Securities Transfer Act* (Manitoba) or similar legislation under Applicable Law. We are not aware of whether any such additional steps have been taken or if the Agent has entered into any control agreements; and
9. There is a typographical error in the grant of security in the Borrower GSA, which is to “Bridging Financing Inc. as Agent” as opposed to “Bridging Finance Inc. as Agent”. This typographical error is not repeated in the November 15 Acknowledgement and Confirmation or the November 27 Acknowledgement and Confirmation, the secured party name is correctly recorded in the applicable PPSA filings, the reference to “Agent” in the Borrower GSA is cross-referenced to the Credit Agreement, which correctly records the secured party name, and searches of corporate records in the Province of Manitoba do not disclose a record for “Bridging Financing Inc.”. Accordingly, we do not consider the typographical error to be material or misleading, nor sufficient to invalidate the security granted.



THOMPSON
DORFMAN
SWEATMAN

This opinion is for the sole benefit of the addressee hereto and may not be relied on by other parties or in respect of their transactions without the express written consent of Thompson Dorfman Sweatman LLP.

Yours truly,

Thompson Dorfman Sweatman LLP

Appendix “D”

Allied Track Services Inc.
Projected Statement of Cash Flow
For the period March 8, 2021 to May 21, 2021
(C\$; unaudited)

Note	Week Ending											Total	
	14-Mar-21	21-Mar-21	28-Mar-21	04-Apr-21	11-Apr-21	18-Apr-21	25-Apr-21	02-May-21	09-May-21	16-May-21	5 Days Ending 21-May-21		
1													
<i>Receipts</i>	2	502,332	502,332	502,332	561,082	-	-	-	-	-	-	-	2,068,080
<i>Disbursements</i>													
Payroll	3	433,043	333,043	350,043	323,818	-	-	-	-	-	-	-	1,439,949
Jobsite expenses		58,725	58,725	58,725	58,725	-	-	-	-	-	-	-	234,900
Repairs and maintenance		89,100	89,100	89,100	75,600	-	-	-	-	-	-	-	342,900
Equipment lease rental		24,678	24,678	24,678	24,678	-	-	-	-	-	-	-	98,712
Fuel		15,120	15,120	15,120	13,095	-	-	-	-	-	-	-	58,455
Insurance		16,572	16,572	16,572	16,572	-	-	-	-	-	-	-	66,290
Trucking and rail transport		16,200	16,200	16,200	15,120	-	-	-	-	-	-	-	63,720
Other operating expenses	4	20,726	20,726	20,726	20,726	-	-	-	-	-	-	-	82,904
Capital expenditure		21,600	16,200	10,800	-	-	-	-	-	-	-	-	48,600
Interest	5	-	-	-	17,166	-	-	-	-	-	-	-	17,166
Contingency		100,000	100,000	100,000	50,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	420,000
<i>Total Operating Disbursements</i>		795,765	690,365	701,965	615,501	10,000	10,000	10,000	10,000	10,000	10,000	10,000	2,873,596
<i>Net Cash Flow before the Undermoted</i>		(293,432)	(188,032)	(199,632)	(54,419)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(805,516)
Restructuring Professional fees	6	200,000	-	-	200,000	-	-	-	25,000	-	-	-	425,000
		(493,432)	(188,032)	(199,632)	(254,419)	(10,000)	(10,000)	(10,000)	(35,000)	(10,000)	(10,000)	(10,000)	(1,230,516)
Additional Funding Requirement		493,432	188,032	199,632	254,419	10,000	10,000	10,000	35,000	10,000	10,000	10,000	1,230,516
<i>Net Cash Flow</i>		-	-	-	-	-	-	-	-	-	-	-	-
Opening Cash Balance	7	-	-	-	-	-	-	-	-	-	-	-	-
Closing Cash Balance		-	-	-	-	-	-	-	-	-	-	-	-
Opening DIP Facility Balance	7	1,619,404	2,112,837	2,300,869	2,500,501	2,754,920	2,764,920	2,774,920	2,784,920	2,819,920	2,829,920	2,839,920	1,619,404
Closing DIP Facility Balance		2,112,837	2,300,869	2,500,501	2,754,920	2,764,920	2,774,920	2,784,920	2,819,920	2,829,920	2,839,920	2,849,920	2,849,920

The statement of projected cash-flow of Allied Track Services Inc. has been prepared in accordance with the provisions of *The Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on Cash-flow Statement.

ALLIED TRACK SERVICES INC.



Per: **Andrew S. Jones**

03-09-21

Date

KSV RESTRUCTURING INC.
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL
AND NOT IN ITS PERSONAL CAPACITY



Per:

March 9, 2021

Allied Track Services Inc.

Notes to Projected Statement of Cash Flow

For the period March 8, 2021 to May 21, 2021

(C\$; unaudited)

Purpose and General Assumptions

1. The purpose of the projection is to present a forecast of the cash-flow of Allied Track Services Inc. (the "Company") for the period March 8, 2021 to May 21, 2021 (the "Period") in respect of its NOI proceedings under the *Bankruptcy and Insolvency Act*.

The projected cash flow statement has been prepared based on hypothetical and most probable assumptions developed and prepared by the Company.

The projection assumes that the transaction to sell the Allied Business will be completed in the week ending April 4, 2021.

Hypothetical Assumptions

2. Represents the collection of accounts receivable from the Company's customers, net of early payment discounts. Following the completion of the transaction, accounts receivable will be collected by the Purchaser.

Most Probable Assumptions

3. Represents payroll costs, source deduction remittances and WSIB remittances. Wage subsidies under programs enacted by the Government of Canada in response to Covid-19 are not forecasted to be received during the Period.
4. Other operating costs include advertising and promotion, meals, travel lodging, corporate vehicles, office expenses, bank charges and non-restructuring professional fees.
5. Represents interest on the DIP facility. The DIP facility will be assumed by the Purchaser after the closing of the transaction.
6. Represents the professional fees of the Proposal Trustee, its counsel and the Company's counsel.
7. Represents the Company's cash and DIP facility balances as at March 8, 2021.

**Report on Cash Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the BIA**

The management of Allied Track Services Inc. (the “Company”) has developed the assumptions and prepared the attached statement of projected cash flow of the Company for the period ending May 21, 2021.

The hypothetical and probable assumptions are suitably supported and consistent with the purpose of the projection and the plans of the Company and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 1 to 7.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in Note 1, using a set of hypothetical and probable assumptions set out in Notes 2 to 7. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, this 9th day of March, 2021.

Allied Track Services Inc.



Per: Andrew S. Jones

Appendix “E”

**Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)**

The attached statement of projected cash-flow of Allied Track Services Inc., as of the 9th day of March 2021, consisting of a monthly Cash Flow Statement for the period March 8, 2021 to May 21, 2021, has been prepared by the management of the insolvent person for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2-7.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated this 9th day of March, 2021.

**KSV RESTRUCTURING INC.
LICENSED INSOLVENCY TRUSTEE**



Per: Noah Goldstein