

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

**IN THE MATTER OF THE RECEIVERSHIP OF
2806401 ONTARIO INC. o/a ALLIED TRACK SERVICES INC.**

BETWEEN:

PRICEWATERHOUSECOOPERS INC.
(solely in its capacity as Court-appointed receiver and manager of Bridging Finance Inc.
and certain related entities and investment funds)

Applicant

- and -

2806401 ONTARIO INC. o/a ALLIED TRACK SERVICES INC.

Respondent

**MOTION RECORD
(Approval of Auction Services Agreement, and Ancillary Matters)
Returnable October 28, 2022**

October 20, 2022

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Lawyers for the Receiver

TO: SERVICE LIST

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
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**IN THE MATTER OF THE RECEIVERSHIP OF
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BETWEEN:

PRICEWATERHOUSECOOPERS INC.

(solely in its capacity as Court-appointed receiver and manager of Bridging Finance Inc.
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Applicant

- and -

2806401 ONTARIO INC. o/a ALLIED TRACK SERVICES INC.

Respondent

SERVICE LIST

(as at October 20, 2022)

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

**IN THE MATTER OF THE RECEIVERSHIP OF
2806401 ONTARIO INC. o/a ALLIED TRACK SERVICES INC.**

BETWEEN:

PRICEWATERHOUSECOOPERS INC.

(solely in its capacity as Court-appointed receiver and manager of Bridging Finance Inc.
and certain related entities and investment funds)

Applicant

- and -

2806401 ONTARIO INC. o/a ALLIED TRACK SERVICES INC.

Respondent

MOTION RECORD

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TAB 1

Court No.: CV-22-00687383-00CL

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

IN THE MATTER OF THE RECEIVERSHIP OF 2806401 ONTARIO INC.
O/A ALLIED TRACK SERVICES INC., A CORPORATION
INCORPORATED UNDER THE LAWS OF ONTARIO

BETWEEN:

PRICEWATERHOUSECOOPERS INC.

(solely in its capacity as Court-appointed receiver and manger of Bridging Finance Inc.
and certain related entities and investment funds)

Applicant

- and -

2806401 ONTARIO INC. o/a ALLIED TRACK SERVICES INC.

Respondent

NOTICE OF MOTION
(Approval of Auction Services Agreement, and Ancillary Matters)
Returnable October 28, 2022

KSV Restructuring Inc. (“KSV”) in its capacity as receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties (the “**Property**”) of 2806401 Ontario Inc. o/a Allied Track Services Inc. (the “**Debtor**”), will make a motion before a Judge presiding over the Commercial List on **October 28, 2022 at 10:00 a.m. (Toronto time)**, or as soon after that time as the motion can be heard.

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

- In writing under subrule 37.12.1(1) because it is (*insert one of* on consent, unopposed *or* made without notice);
- In writing as an opposed motion under subrule 37.12.1(4);
- In person;
- By telephone conference;
- By video conference.

at the following location:

Zoom meeting link, meeting ID and passcode to be created and posted to Caselines by court staff

Please advise if you plan to attend the motion by emailing Nancy Thompson, at nancy.thompson@blakes.com.

THE MOTION IS FOR:

- (a) An order substantially in the form of the Order included in the Motion Record of the Receiver, *inter alia*:
 - (i) Approving a transaction (the “**Transaction**”) between the Receiver and Corporate Assets Inc. (the “**Auctioneer**”) whereby the Auctioneer will sell the Debtor’s right, title and interest to certain assets pursuant to an Auction Services Agreement dated October 19, 2022 (the “**ASA**”), including without limitation assets leased to the Debtor by Danella Rental Systems Ltd. (“**Danella**”), Setay Motors Inc. (“**Setay**”) and LMS Rail Services Limited (“**LMS**”);
 - (ii) Vesting all right, title and interest of the Debtor in the purchasers identified by the Auctioneer pursuant to the ASA;
 - (iii) Authorizing the Receiver to pay contract rent and to return certain leased assets to Setay;
 - (iv) Sealing the confidential appendices to the First Report of the Receiver dated October 19, 2022 (the “**Report**”);

- (v) Approving the activities of the Receiver from September 23, 2022 to October 19, 2022; and
- (b) such further and other relief as counsel may request and this Honourable court may permit.

THE GROUNDS FOR THE MOTION ARE:

Background

- (a) The Debtor is a railroad maintenance service provider, is insolvent, and does not have the liquidity to carry on its business;
- (b) On August 25, 2022, the Debtor filed a Notice of Intention to Make a Proposal (“**NOI**”) and KSV was appointed as proposal trustee (in such capacity, the “**Proposal Trustee**”). KSV was subsequently appointed as interim receiver of the Debtor on September 6, 2022 (in such capacity, the “**Interim Receiver**”), and then appointed as Receiver on September 23, 2022 pursuant to the order of Mr. Justice Osborne, dated September 23, 2022 (the “**Appointment Order**”) obtained on an application by the Debtor’s largest secured creditor, Bridging Finance Inc., represented by its Court-appointed receiver and manger, PricewaterhouseCoopers Inc. (the “**Bridging Receiver**”);

Sale of Equipment

- (c) The Debtor owns a wide assortment of equipment, machinery, vehicles and tools (the “**Equipment**”), which the Proposal Trustee, the Interim Receiver, and the Receiver have inventoried, and taken steps to locate and secure, with the assistance of representatives of the Debtor;

- (d) The Receiver commenced a process (the “**RFP Process**”) to request proposals from liquidators and other parties for the sale of substantially all of the Equipment;
- (e) After a series of competitive submissions and correspondence between the Interim Receiver, Receiver and bidders, the Auctioneer’s offer to liquidate the Equipment was selected by the Receiver as the superior offer, including because it represented a liquidation proposal with the highest net minimum guarantee and most favourable profit-sharing arrangements to the Receiver;
- (f) The Receiver believes the RFP Process was commercially reasonable and appropriate in the circumstances, the Transaction provides the greatest recovery available in the circumstances, and the commercial terms of the ASA are reasonable and is supported by the Bridging Receiver, the Debtor’s largest creditor;
- (g) The ASA is subject to Court approval, and the Receiver is bringing this motion to seek such Court approval, so that the Equipment may be liquidated before the end of the rail services season;

Leased Equipment

- (h) The Debtor leases equipment from nine different equipment lessors. The Receiver’s counsel has reviewed the applicable leases and corresponding registrations (or lack thereof) by lessors under the personal property security registries in British Columbia, Alberta, Manitoba and Ontario;
- (i) The Receiver has identified three lessors whose deemed security interests in the leased equipment is not properly perfected: Danella, Setay (as secured party under leases with Queenston Chevrolet Buick GMC) and LMS. In the Receiver’s view, as a result of their non-perfection, the interests of those lessors in the leased

equipment is subordinate to the security interests of the Debtor's other secured creditors, subject to certain curing provisions in respect of Setay and subject to certain third-party security interests in respect of LMS;

- (j) The Receiver is seeking the Court's authorization to sell all three units leased to the Debtor by Danella;
- (k) In the Receiver's view, Setay's non-perfection as against the Debtor is cured by the fact that Setay has registered a security interest against the vehicle identification numbers of 14 vehicles leased to the Debtor (the "**VIN Registered Setay Units**"), and the Receiver is accordingly seeking the Court's authorization to pay rent in respect of the VIN Registered Setay Units and return them to Setay;
- (l) Setay has not registered against the vehicle identification numbers of three vehicles leased to the Debtor (the "**Unregistered Setay Units**"), and the Receiver is seeking the Court's authorization to sell the Unregistered Setay Units;
- (m) While LMS has not registered against the Debtor or any of the vehicle identification numbers of the units leased to the Debtor, certain of LMS's creditors have registered against the vehicle identification numbers: Vic Lanoix Holdings Limited, HSBC Bank Canada, Meridian OneCap Credit Corp. and Caisse Populaire (collectively, the "**LMS Secured Creditors**");
- (n) As a result of LMS's unperfected, and therefore subordinate, security interest, the Receiver is seeking the Court's authorization to sell all of the units leased by LMS to the Debtor, subject to the Receiver segregating the proceeds of sale of such units, so that the entitlements of the LMS Secured Creditors to such proceeds, if any, can be adjudicated at a later date;

Sealing Order

- (o) In the event that the Transaction does not close for any reason, and if the allocation of value by Equipment in the ASA is not sealed, future bidders would have access to the amount that was accepted by the Receiver. Similarly, if the Offer Summary is not sealed, future bidders would have access to offer details;
- (p) The Receiver is requesting an order sealing the confidential appendices to the First Report, which contain commercially sensitive information, until (a) the earlier of (i) the end of the Auction Period (as defined in the ASA) or (ii) all of the Equipment is sold, or (b) a further order of the Court is made;
- (q) There is no prejudice to any party in sealing the commercially sensitive information in the confidential appendices, and such a sealing order will protect the integrity of the sale process;

Activities Approval

- (r) The activities of the Receiver, as detailed in the First Report, were undertaken in accordance with the Appointment Order, were necessary to the efficient and effective conduct of these receivership proceedings, and provided value to the Debtor's creditors and stakeholders;

Additional Grounds

- (s) The facts and analysis set out in the First Report;
- (t) Rules 1.04, 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure*, R.R.O 1990, Reg 194, as amended; and

- (u) Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. The First Report, to be filed;
2. Such further and other evidence as counsel may advise and this Honourable Court may permit.

October 19, 2022

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Barristers and Solicitors
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Lawyers for the Receiver

TO: SERVICE LIST

Court File No.: CV-22-00687383-00CL

PRICEWATERHOUSECOOPERS INC.
 (solely in its capacity as Court-appointed receiver and manager of
 Bridging Finance Inc. and certain related entities and investment funds)
 Applicant

- and - 2806401 ONTARIO INC. o/a
 ALLIED TRACK SERVICES INC.
 Respondent

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

Proceeding Commenced at Toronto

**NOTICE OF MOTION
 (Approval of Auction Services Agreement,
 and Ancillary Matters)**

BLAKE, CASSELS & GRAYDON LLP
 Barristers and Solicitors
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Lawyers for the Receiver

TAB 2



**First Report to Court of
KSV Restructuring Inc. as Receiver of
2806401 Ontario Inc. o/a Allied Track
Services Inc.**

October 20, 2022

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COURT FILE NO.: CV-22-00687383-00CL

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

IN THE MATTER OF THE RECEIVERSHIP OF 2806041 ONTARIO INC. O/A ALLIED
TRACK SERVICES INC., A CORPORATION INCORPORATED UNDER THE LAWS OF
ONTARIO

PRICEWATERHOUSECOOPERS INC. (SOLELY IN ITS CAPACITY AS COURT-
APPOINTED RECEIVER AND MANAGER OF BRIDGING FINANCE INC. AND CERTAIN
RELATED ENTITIES AND INVESTMENT FUNDS)

APPLICANT

- AND -

2806401 ONTARIO INC. O/A ALLIED TRACK SERVICES INC.

RESPONDENT

FIRST REPORT OF KSV RESTRUCTURING INC. AS RECEIVER AND MANAGER OF
2806401 ONTARIO INC. O/A ALLIED TRACK SERVICES INC

OCTOBER 20, 2022

1.0 Introduction

1. On August 25, 2022 (the “Filing Date”), 2806401 Ontario Inc. o/a Allied Track Services Inc. (“Allied” or the “Company”) filed a Notice of Intention to Make a Proposal (“NOI”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “BIA”). KSV Restructuring Inc. (“KSV”) was appointed as the proposal trustee (the “Proposal Trustee”).
2. On September 6, 2022, the Ontario Superior Court of Justice (Commercial List) (the “Court”) made an Order (the “Interim Receivership Order”) appointing KSV as the interim receiver (the “Interim Receiver”), without security, of all of the assets, undertakings and properties of Allied (collectively, the “Property”) pursuant to an application brought by the Proposal Trustee under section 47.1 of the BIA. Allied’s principal secured creditor, Bridging Finance Inc. (“Bridging”), and its sole shareholder, Bridging Income Fund LP (“Bridging Income”), supported the application.

3. On September 23, 2022, the Court made an order (the “Receivership Order”) appointing KSV as the receiver and manager (the “Receiver”) of the Property pursuant to an application brought by PricewaterhouseCoopers Inc., in its capacity as Court-appointed Receiver of Bridging (the “Bridging Receiver”). A copy of the Receivership Order is available on the Receiver’s case website [here](#).
4. As a result of the Receivership Order, the appointment of the Interim Receiver was terminated. On September 23, 2022, the Court also made an order approving the activities of the Interim Receiver for the period September 6 to September 16, 2022.
5. On September 23, 2022, the Court made two orders in the NOI proceeding: (a) extending the period for the Company to file a proposal to its creditors by 45 days to November 8, 2022, and (b) transferring the NOI proceeding from Hamilton to the Commercial List in Toronto.
6. This report (the “Report”) is being filed by KSV in its capacity as Receiver.
7. The principal purpose of the Company’s restructuring proceeding is to wind-down its operations and liquidate its assets for the benefit of its creditors and other stakeholders.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Company and these proceedings;
 - b) summarize the Receiver’s process (the “RFP Process”) to request proposals from liquidators and other parties for the sale of substantially all of the Company’s owned equipment, machinery, vehicles and tools (the “Equipment”);
 - c) summarize a transaction (“Transaction”) between the Receiver and Corporate Assets Inc. (the “Auctioneer”), whereby the Auctioneer will sell substantially all of the Equipment pursuant to an Auction Services Agreement dated October 17, 2022 (the “ASA”);
 - d) discuss the status of the Company’s machinery and equipment leases (the “Leases”) and the results of a review performed by Blake, Cassels & Graydon LLP (“Blakes”), the Receiver’s counsel;
 - e) summarize the Receiver’s interim arrangement with A Action Towing And Recovery Inc. (“A Action”), a towing company;
 - f) summarize the Interim Receiver’s activities from September 17 to September 23, 2022 and the Receiver’s activities from September 23, 2022 to the date of this Report;
 - g) summarize the Interim Receiver’s fees from the date of its appointment on September 6, 2022 to the date of its automatic discharge on September 23, 2022; and

- h) recommend that this Court issue Orders:
- approving the ASA and the Transaction, including the sale of the equipment listed in Schedule A to the ASA;
 - authorizing the Receiver to sell the Danella Units and the LMS Units (each as defined below);
 - authorizing the Receiver to return the VIN Registered Setay Units (as defined below) to Setay (as defined below), sell the Unregistered Setay Units (as defined below), and pay Setay rent for the VIN Registered Setay Units;
 - sealing the confidential appendices to this Report until the Transaction closes;
 - approving the Interim Receiver's activities for the period September 17 to September 23, 2022 and the Receiver's activities for the period September 23, 2022 to the date of this Report; and
 - approving the fees and disbursements of the Interim Receiver and its counsel, Blakes.

1.2 Currency

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

1.3 Restrictions

1. In preparing this Report, the Receiver has relied upon unaudited financial information prepared by the Company's representatives, the books and records of the Company and discussions with representatives of the Company and with its sole shareholder, Bridging Income. The Receiver has not performed an audit or otherwise attempted to verify the accuracy or completeness of the financial information relied on in a manner that complies with Canadian Auditing Standards ("CAS") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.
2. The Receiver accepts no responsibility for any reliance placed by any third party on the Company's financial information presented herein.

1.4 Court Materials

1. Court materials filed in these proceedings are available on the Receiver's website at: <https://www.ksvadvisory.com/experience/case/2806401-ontario-inc.>

2.0 Background

1. The Company is a railroad maintenance service provider, offering track maintenance and repair, construction, bridging, civil engineering, flagging, signalling and related services. The Company leases its head office in Grimsby, Ontario, and operates in Ontario, Alberta, Manitoba and British Columbia.
2. The Company employed approximately 160 individuals as of the Filing Date, including members of the Labourers' International Union of North America ("LIUNA"). Since the Filing Date, the Company terminated 19 non-union and permanently laid-off 41 union employees, as the Company discontinued all of its projects other than certain contracts (the "Service Contracts") for Canadian Pacific Railway ("CP"), one of Allied's largest customers. Another four employees have also resigned.
3. The Company was incorporated on January 8, 2021 by Bridging for the purposes of acting as a stalking horse bidder in the proposal proceedings of a company formerly known as Allied Track Services Inc. ("Old Allied"). Bridging was Old Allied's largest secured creditor.
4. After a sale process in the Old Allied proposal proceedings, the Company's stalking horse bid was determined to be the superior bid, and the Company bought substantially all tangible assets, intellectual property and undertakings of Old Allied (the "Old Allied Assets") in a Court-approved transaction that closed on April 30, 2021. This transaction permitted the Company to continue the operations of Old Allied as a going concern and to continue to provide services to its customers, uninterrupted.
5. Also on April 30, 2021, in proceedings unrelated to the Old Allied proposal proceedings, the Court appointed the Bridging Receiver of Bridging and certain related entities and investment funds pursuant to section 129 of the *Securities Act* (Ontario), upon application by the Ontario Securities Commission. Bridging is presently the Company's largest secured creditor, owed approximately \$60 million, and a related party (Bridging Income) is its sole shareholder.
6. Despite the successful implementation of the transaction related to Old Allied's proposal proceeding, the Company continued to generate losses, resulting in the NOI proceeding on August 25, 2022.
7. As a result of personnel departures and stakeholder uncertainty triggered by the NOI proceeding, the Proposal Trustee brought an application under section 47.1 of the BIA seeking the appointment of KSV as Interim Receiver. This was done in order to bring stability to the Company's operations and wind-down, and in order to facilitate the Company completing the Service Contracts. As a result of this application, the Interim Receivership Order was granted on September 6, 2022.
8. As the Interim Receivership Order was intended to be temporary and for other reasons set out in the Proposal Trustee's Second Report to Court dated September 16, 2022 (the "Second Trustee Report"), Bridging brought an application to appoint KSV as Receiver, which was granted on September 23, 2022.

9. As noted above, the deadline for the Company to file a proposal was extended to November 8, 2022. The Company is not intending to request a further extension to the deadline as it does not expect to file a proposal to its creditors. Accordingly, the Company is expected to be deemed bankrupt on November 9, 2022. As the Equipment is likely to be substantially sold by this time (provided the ASA is approved) and the Service Contracts will be complete or nearing completion, the Receiver does not anticipate that the bankruptcy will impact the recoveries associated with the Property.
10. Additional information about the Company is provided in the Second Trustee Report, a copy of which is available [here](#).

3.0 Sale Process

3.1 The Equipment

1. The Company owns a wide assortment of Equipment which is located at its head office in Grimsby, Ontario (the “Grimsby Property”), its facility and nearby lot in North Bay, Ontario (the “North Bay Property”) and at various job sites across Canada.
2. The Proposal Trustee, the Interim Receiver and, subsequently, the Receiver, with the assistance of representatives of the Company, prepared a detailed list of the Equipment, including descriptions of the year, make, model, location and vehicle identification number (VIN), where applicable (the “Equipment Listing”).
3. Since the commencement of the NOI proceeding, the Company and KSV (in its various capacities) have been working to consolidate the Equipment at the North Bay Property.
4. In addition, the Company leases a number of vehicles and/or equipment (the “Leased Equipment”) from various lessors. An analysis of each of the Leases is summarized in Section 4 below.

3.2 RFP Process

1. The RFP Process was commenced shortly after the Filing Date and continued by the Receiver (for the purposes of this section, it is assumed that all activities related to the RFP were carried out by the Receiver). The Receiver approached eight (8) liquidators with a national and/or international presence and experience with assets similar to the Equipment (the “Interested Parties” and each an “Interested Party”) regarding an opportunity to submit a proposal with respect to the realization of the Equipment. The Receiver also advised parties that inquired with it about the Equipment that the Receiver was seeking *en bloc* offers for all, or substantially all, of the Equipment.
2. The Receiver requested that each Interested Party submit a proposal with: i) a net minimum guarantee (“NMG”) and a schedule allocating the NMG to each piece of equipment (“NMG Schedule”); ii) a proposed profit-sharing structure for proceeds in excess of the NMG; iii) a summary of the proposed realization process; and iv) other considerations. Three of the interested parties advised that they were unable to submit a proposal or did not respond to the RFP.

3. The Receiver facilitated the Interested Parties' information requests with the Company and provided each party with the Equipment Listing. The Receiver also arranged for the Interested Parties to attend at the Grimsby Property and the North Bay Property to physically inspect the Equipment. The Interested Parties were also provided with a detailed listing of the Leased Equipment but were advised that the status of the Leased Equipment remains subject to review and it is therefore unclear if any of the Leased Equipment would be included in a transaction.
4. In addition, Generale Construzioni Ferroviarie S.p.A. ("GCF"), a railway services company, contacted the Receiver and expressed an interest in acquiring the Equipment. The Receiver provided GCF with the Equipment Listing to assist in its due diligence.
5. The Receiver requested that Interested Parties and GCF submit offers by September 23, 2022 at 5pm (EST) (the "Initial Proposal Deadline"). Five of the Interested Parties and GCF submitted proposals by the Initial Proposal Deadline.
6. Upon reviewing the proposals, including the NMG and NMG Schedule, the Receiver advanced discussions with the three Interested Parties with the strongest proposals, including the Auctioneer. The Receiver arranged a further site visit (in person or by video) for the three Interested Parties to inspect any additional Equipment that had been relocated to the North Bay Property since their initial attendance.
7. The Receiver requested that the three Interested Parties submit revised proposals by September 30, 2022 at 5pm (EST) (the "Second Proposal Deadline").
8. Two of the Interested Parties, including the Auctioneer, submitted proposals with similar NMG amounts by the Second Proposal Deadline. The Receiver requested that these two Interested Parties submit a final proposal by October 2, 2022 at 12pm (EST) (the "Final Proposal Deadline"). A summary of the liquidation proposals submitted by the First Proposal Deadline, the Second Proposal Deadline and the Final Proposal Deadline is provided in Confidential Appendix "1" (the "Offer Summary").
9. The Auctioneer submitted the liquidation proposal with the highest NMG and most favorable profit-sharing arrangement to the Receiver.

3.3 Transaction¹

1. The key terms and conditions of the Transaction include the following:
 - a) Agent: Corporate Assets Inc., an auctioneer based in Ontario with experience liquidating machinery and equipment.

¹ Terms not defined in this section have the meaning provided to them in the ASA, unless otherwise defined herein.

- b) Guaranteed Amount:
- the Auctioneer will pay the Receiver a guaranteed minimum amount for the Equipment.² All sales by the Auctioneer are subject to an 18% Buyer's Premium in favour of the Auctioneer, which was a standard provision in the other proposals submitted to the Receiver and is a standard provision of transactions of this nature;
 - a Deposit, representing 15% of the Guaranteed Amount, is to be paid to the Receiver by the Auctioneer by October 25, 2022.
- c) Assets: the Equipment, consisting of specialized machines, vehicles, replacement parts and tools.
- d) Expenses:
- the Receiver will be responsible for providing the Auctioneer with rent-free access to the Premises (which includes the Grimsby Property and the North Bay Property) which will cost the Allied estate approximately \$55,000 during the contemplated period of the Auctioneer's occupancy under the ASA;
 - the Auctioneer will be responsible for, *inter alia*, the advertising, marketing, preparation of Equipment for sale, cleaning, detailing, setup, cataloguing, preview, inspection arrangements, collection, invoicing, and supervision of the release period following the Auction. Subject to payment in full of the Guaranteed Amount by the Auctioneer to the Receiver, the first Proceeds above the Guaranteed Amount shall be retained by the Auctioneer to cover its costs. The amount of such costs (the "Expenses") is disclosed in Confidential Appendix "2".
- e) Profit Sharing: all proceeds in excess of the Guaranteed Amount plus the Expenses (other than the Buyer's Premium) are to be allocated 100% to the Receiver. All remaining proceeds shall be paid to the Receiver on a weekly basis as sold Equipment is removed from the Premises.
- f) Timing: the Auction Period will continue for 60 days following the Court's approval of the ASA.
- g) Termination: the ASA may be terminated:
- by mutual written consent of the Receiver and the Auctioneer;
 - by the Auctioneer if the Approval Order is not obtained by November 4, 2022;

² The Guaranteed Amount is disclosed in Confidential Appendix "2", and subject to a request for a sealing order for the reasons set out in Section 3.4 of this Report.

- by the Auctioneer if the Receiver fails to comply with any of its material obligations under the ASA, subject to the Auctioneer providing the Receiver with three (3) Business Days to remedy such failure; or
 - by the Receiver if the Auctioneer fails to comply with the provisions of the ASA in a material respect, subject to the Receiver providing the Auctioneer with three (3) Business Days to remedy such failure.
- h) Conditions: the only material condition precedent to the transaction is entry of the Approval Order and expiry of all appeal periods in respect of the Approval Order. The Approval Order will authorize the Receiver to (a) retain the Auctioneer on the terms set forth in the ASA, (b) pay the Auctioneer its compensation on the terms set forth in the ASA without further order of the Court, (c) enter into and consummate the transactions set forth in the ASA, and (d) transfer title to the Equipment to any purchasers free and clear of liens, claims and encumbrances.
- i) Other: The ASA is consistent with standard insolvency transactions, i.e. to be completed on an “as is, where is” basis, without any material representations or warranties. All sales of Assets are to be on the same terms.
2. A redacted version of the ASA is provided in Appendix “A” and an unredacted version of the ASA is filed as Confidential Appendix “2”. The only portions of the ASA that have been redacted are the Guaranteed Minimum Amount, the Expenses and the column in Schedule “A” of the ASA which include allocations of value by Equipment.

3.4 Confidentiality

1. In the event that the Transaction does not close for any reason, another RFP is likely to be required. If the Guaranteed Amount, Expenses or allocation of value by Equipment in the ASA is not sealed, future bidders would have access to the amount that was accepted by the Receiver. Similarly, if the Offer Summary is not sealed, future bidders would have access to offer details. The publicity of such information would be prejudicial to the Receiver’s ability to negotiate an alternative transaction for the Equipment. No party will be prejudiced if the information is sealed at this time. Accordingly, the Receiver believes the proposed sealing order is appropriate in the circumstances.
2. Sealing this information until the Transaction is complete or further Order of the Court is necessary to maximize recoveries in these proceedings and maintain the integrity and confidentiality of key information.
3. The salutary effects of sealing such information from the public record greatly outweigh the deleterious effects of doing so under the circumstances. The Receiver is of the view that the sealing of the Confidential Appendices is consistent with the decision in *Sherman Estate v. Donovan*, 2021 SCC 25. Accordingly, the Receiver believes the proposed sealing of the Confidential Appendices is appropriate in the circumstances.

3.5 Recommendation

1. The Receiver respectfully recommends that this Court approve the ASA and the Transaction for the following reasons:
 - a) the Receiver believes the RFP Process was commercially reasonable and appropriate in the circumstances, including that the market was appropriately canvassed for proposals;
 - b) the Transaction provides for the greatest recovery available in the circumstances;
 - c) The Transaction contemplates that one or more auctions will be held in early November 2022 to coincide with the end of the railway servicing season. There is urgency to complete the auctions by this time in order to maximize recoveries;
 - d) the Receiver believes that the commercial terms of the ASA are reasonable, including the Guaranteed Amount, the Expenses, the profit-sharing arrangement and the Buyer's Premium; and
 - e) the Transaction is supported by Bridging, Allied's largest creditor.

4.0 Secured Creditors and Lessors

1. Bridging is the Company's principal secured creditor. As of the Filing Date, Bridging was owed approximately \$60 million. Blakes will shortly be performing a review of Bridging's security and the results of that review will be included in a subsequent report to Court; however, a security review of Bridging's security conducted in the 2021 proposal proceedings of Old Allied, which debt and security was assigned by Old Allied to Allied, did not identify any material issues.
2. As previously reported, the Company leases vehicles, equipment and machinery to conduct its business. Five parties, in addition to Bridging, have registered financing statements against the Company in connection with vehicles, equipment, machinery and financial instruments. Four of these five parties are lessors.
3. In addition to the above, the Receiver understands that Canada Revenue Agency ("CRA") has asserted claims against the Company for unremitted source deductions of approximately \$300,000 and sales taxes of approximately \$942,000³. The Receiver has not received the details of such claims.
4. A summary of the PPSA search results against the Company in British Columbia, Alberta, Manitoba and Ontario, which has been prepared by Blakes, is attached hereto as Appendix "B".

³ These amounts are based on notices from CRA dated October 13, 2022.

4.1 Leased Equipment and Lessors

- The Receiver is aware of nine equipment lessors to the Company. Seven of the lessors are party to lease agreements that were assigned to the Company by Old Allied as part of the sale transaction in 2021. Two of the lessors are party to leases entered into after the Company acquired the Old Allied Assets. Of the nine lessors, only four have registered against the Company under the *Personal Property Security Acts* in Ontario or British Columbia.
- Based on Blakes' review, the lessors and their respective entitlements to the Equipment may be summarized as follows:

Lessor (Secured Party)	Collateral	Registered against Old Allied	Registered against the Company	Lessor Rights in Collateral
Calmont Leasing Ltd.	1 2017 GMC Sierra 1 2017 Ford F-150	No	No	Yes
Caterpillar Financial Services Limited	1 Caterpillar 420-07XE backhoe loader	N/A	Yes	Yes
Danella Rental Systems Inc.	1 2013 Ford F750 2 Volvo VHD64B200s	No	No	No
Falcon Equipment Ltd. (Valiant Financial Services Inc.)	3 Freightliner 114SDs	Yes	No	Yes
Meridian OneCap Credit Corp.	1 Landoll 454B-53 Trailer	Yes	Yes	Yes
Quip Finance (Vault Credit Corporation)	1 2018 Vermeer Navigator Drill	N/A	Yes	Yes
Wheaton Chevrolet Buick Cadillac GMC Ltd.	1 2021 GMC Sierra	Yes	Yes	Yes
Queenston Chevrolet Buick GMC (Setay Motors Inc.)	17 Chevrolet Trucks	Yes	No	Some
LMS Rail Services Limited	Approximately 46 Ford F-250s and F-350s	No	No	No

- The Receiver's observations and conclusions with respect to each lessor are as follows:

(a) Calmont Leasing Ltd. ("Calmont")

- Calmont leased one 2017 GMC Sierra and one 2017 Ford F-150 (collectively, the "Calmont Units") to Old Allied pursuant to leases that were assigned to Allied. The Receiver is advised by Allied that the two motor vehicles leased from Calmont were delivered in, and continue to be located in, Manitoba.

2. As of October 6, 2022, Calmont has not registered against the Company or “Allied Track Services” in any province; however, there are no competing security interests registered in Manitoba, where the Receiver understands the Calmont Units were delivered, and are currently located. As a lessor under a lease of a term of more than one year, Calmont’s deemed security interest under the Manitoba *PPSA* is unperfected; however, because there are no competing *PPSA* registrations against the same collateral, the Receiver has concluded that Calmont’s unperfected security interest in the Calmont Units has priority.
3. The Receiver intends to contact Calmont and inquire about a buyout amount for the Calmont Units. If Calmont is prepared to agree to an acceptable buyout, and the Auctioneer is prepared to increase the NMG by an amount greater than that buyout amount to include the Calmont Units in the auction, then the Receiver may proceed with the buyout. If a buyout at an acceptable price is not possible, the Receiver will return the Calmont Units to Calmont.

(b) Caterpillar Financial Services Limited (“Caterpillar”)

1. Caterpillar leased one 420-07XE loader, with accessions (the “Caterpillar Unit”) to Allied pursuant to a lease agreement dated May 26, 2021. The Receiver has been advised by Allied that the Caterpillar Unit was delivered to Allied in, and remains in, Ontario.
2. Caterpillar registered against the Company in Ontario prior to the lease date, and accordingly has a first priority purchase money security interest (“PMSI”) in the Caterpillar Unit.
3. In consultation with the Auctioneer, the Receiver believes that there may be residual equity value in the Caterpillar Unit. The Receiver intends to contact Caterpillar to propose to buy out the Caterpillar Unit. If Caterpillar accepts a buyout, the Caterpillar Unit will be included as an asset for sale in the ASA. Anticipating that a buyout of the Caterpillar Unit will be achievable, the Caterpillar Unit is currently in the list of assets to be sold in the ASA. If a buyout is not possible at an acceptable price, the Caterpillar Unit will be removed from the ASA and returned to Caterpillar.

(c) Danella Rental Systems Ltd. (“Danella”)

1. Danella leased one 2013 Ford F-750 welding truck, one 2014 Volvo VHD64B200 and one 2016 Volvo VHD64B200 (collectively, the “Danella Units”) to Allied pursuant to a equipment rental agreement dated April 1, 2020 with Old Allied, which was assigned by Old Allied to Allied (the “Danella Lease”). The Receiver has been advised by Allied that the Danella Units were delivered to Allied in, and remain in, Ontario.
2. The Danella Lease is dated April 1, 2020, and provides for monthly lease payments to be made by Old Allied (now Allied) to Danella pursuant to 36 monthly payments. Schedule “B” of the Danella Lease provides that “This lease purchase agreement shall be for the terms listed above, commencing on April 1, 2020, and shall terminate on the date such Equipment is paid in full, or returned to Danella. At the end of each lease term, Lessor shall transfer ownership to Lessee, for \$1.00 per item, if all lease payment are paid in full.” A copy of the Danella Lease is attached hereto as Appendix “C”.

3. The Receiver has concluded that the Danella Lease is for a term of 36 months, and by virtue of the \$1 purchase option is a “financing lease”. The Danella Lease accordingly creates a security interest to which the PPSA applies.
4. As a financing lease, as opposed to a “true lease”, the Danella Lease is a lease that secures payment or performance of an obligation. The Ontario *Personal Property Security Act* (“OPPSA”) applies to “every transaction without regard to its form and without regard to the person who has title to the collateral that in substance creates a security interest, including, without limiting the foregoing,... an assignment, lease or consignment that secures payment or performance of an obligation.”⁴
5. Even if the Danella Lease is a true lease, which the Receiver does not concede, the OPPSA applies to “a lease of goods under a lease for a term of more than one year even though the lease may not secure payment or performance of an obligation.”⁵ A “security interest” under the OPPSA includes “the interest of a lessor of goods under a lease for a term of more than one year”,⁶ and accordingly Danella’s interest under the Danella Lease is a security interest.
6. As of October 11, 2022, Danella had not registered against the Company or “Allied Track Services” in Ontario. The OPPSA provides that “until perfected, a security interest in collateral is subordinate to the interest of a person who has a perfected security interest in the same collateral.”⁷ Accordingly, as a lessor under a lease of a term of more than one year, Danella’s deemed security interest is unperfected, and therefore subordinate to the interests of Allied’s registered secured creditors.
7. The Receiver’s counsel notified Danella of its unperfected status by letter dated October 12, 2022. This letter advised Danella that the Receiver would be seeking the Court’s approval to sell the Danella Units at a motion returnable on October 28, 2022. A copy of the Receiver’s counsel’s letter to Danella is attached hereto as Appendix “D”. Danella was also served with the Second Trustee Report, which outlined in Section 3.0, the Interim Receiver’s preliminary analysis of Allied’s leases, including the priority issue created by Danella’s failure to register.
8. The Receiver’s counsel spoke to Danella’s counsel on Wednesday, October 19, 2022 and advised of the Receiver’s position with respect to the Danella Units. Danella’s counsel advised that it may attend the hearing on October 28, 2022 and may oppose the sale of the Danella Units by the Receiver. Both Danella and its counsel will be served with the motion record seeking the authorization to sell the Danella Units.
9. Based on the foregoing analysis, the Receiver is seeking an order explicitly authorizing the Receiver to sell the Danella Units pursuant to the ASA.

⁴ OPPSA, s. 2(a)(ii)

⁵ OPPSA, s. 2(c)

⁶ OPPSA, s. 1(1)

⁷ OPPSA, s. 20(1)(a)(i)

(d) Falcon Equipment Ltd. (“Falcon”) and Valiant Financial Services Inc. (“Valiant”)

1. Falcon leased one 2021 Freightliner 1114SD (VIN 3ALHG3DV9MDML1069, “Unit 933”), one 2020 Freightliner 1114SD (VIN 1FVHG3DV2LHMC2427, “Unit 934”) and one 2020 Freightliner 1114SD (VIN 1FVHG3DVXLHKU6182, “Unit 935”, together with Unit 933 and Unit 934, the “Valiant Units”) to Old Allied pursuant to lease agreements dated on or about June 17, 2020 (Unit 933), October 29, 2020 (Unit 934) and October 29, 2020 (Unit 935). The leases were financed by Valiant and assigned by Old Allied to the Company.
2. The Receiver has been advised by Allied that the Valiant Units were delivered to Old Allied in British Columbia and that Unit 934 and Unit 935 remain in British Columbia. The Receiver has been advised by Allied that Unit 933 is currently in Ontario.
3. Valiant has made the following registrations in respect of the Valiant Units, each of which includes the corresponding VIN:

	Unit 933	Unit 934	Unit 935
Ontario Registration against Old Allied	Aug. 12, 2020	Oct. 29, 2020	Oct. 29, 2020
BC Registration against Old Allied	Aug. 12, 2020	Oct. 29, 2020	Oct. 29, 2020
Ontario Registration against the Company	Sept. 26, 2022	Sept. 26, 2022	Sept. 26, 2022
BC Registration against the Company	Sept. 26, 2022	Sept. 26, 2022	Sept. 26, 2022

4. Valiant was on the service list for the Old Allied proposal proceedings. On May 3, 2021, a copy of the certificate was sent by email to Valiant referencing that the sale of assets by Old Allied to the Company closed on April 30, 2021. This transaction explicitly included the assignment of the Valiant leases of the Valiant Units to the Company.
5. The BC registrations against Unit 934 and Unit 935 were made on the date of the leases, and accordingly Valiant obtained a valid PMSI in those units at the time, against Old Allied. The Receiver has not been able to confirm the date of delivery of Unit 933, but notes that: a) the PPSA registration was made almost two months after the date of the corresponding lease (the BC PPSA requires that PMSIs be registered within 15 days of a debtor obtaining possession of collateral); and b) the registrations against the Company were made well after Valiant was notified of the closing of the sale of Old Allied assets to the Company.
6. The Receiver also notes that there are no competing security interests registered against the Valiant Units in British Columbia, and accordingly, the Receiver has concluded that Valiant has priority to the Valiant Units.

7. The Receiver intends to contact Valiant and inquire about a buyout amount for the Valiant Units. If Valiant is prepared to agree to an acceptable buyout, and the Auctioneer is prepared to increase the NMG by an amount greater than that buyout amount to include the Valiant Units in the auction, then the Receiver may proceed with the buyout. If a buyout at an acceptable price is not possible, the Valiant Units will be returned by the Receiver to Valiant.

(e) Meridian OneCap Credit Corp. (“Meridian”)

1. Meridian leased one 2019 Landoll 455-B-53 trailer (the “Meridian Unit”) to Allied pursuant to a lease agreement dated August 17, 2021. The Receiver has been advised by Allied that the Meridian Unit was delivered to Allied in, and remains in, Ontario.
2. Meridian registered against Old Allied on August 8, 2018 (in respect of 2018 leases) and amended that registration to name the Company as debtor on August 19, 2021, two days after the effective date of the lease for the Meridian Unit. Meridian accordingly has a first priority PMSI in the Meridian Unit.
3. In consultation with the Auctioneer, the Receiver believes that there is residual equity value in the Meridian Unit. The Receiver intends to contact Meridian to propose to buy out the Meridian Unit. If Meridian accepts a buyout, the Meridian Unit will be included as an asset for sale in the ASA. Anticipating that a buyout of the Meridian Unit will be achievable, the Meridian Unit is currently in the list of assets to be sold in the ASA. If a buyout is not possible at an acceptable price, the Meridian Unit will be removed from the ASA and returned to Meridian.

(f) Quip Finance (Vault Credit Corporation) (“Vault”)

1. Quip Finance leased one 2018 Vermeer D10X15S3 Navigator Drill (the “Vault Unit”) to Allied pursuant to a lease agreement dated December 9, 2021, which lease was financed by Vault. The Receiver has been advised by Allied that the Vault Unit was delivered to Allied in, and is located in, Ontario.
2. Vault registered against the Company on December 9, 2021 (Ontario) and December 10, 2021 (British Columbia) and accordingly has a first priority PMSI in the Vault Unit.
3. In consultation with the Auctioneer, the Receiver believes that there is residual equity value in the Vault Unit. The Receiver intends to contact Vault to propose to buy-out the Vault Unit. If Vault accepts a buy-out, the Vault Unit will be included as an asset for sale in the ASA. Anticipating that a buyout of the Vault Unit will be achievable, the Vault Unit is currently in the list of assets to be sold in the ASA. If a buyout is not possible at an acceptable price, the Vault Unit will be removed from the ASA and returned to Vault.

(g) Wheaton Chevrolet Buick Cadillac GMC Ltd. (“Wheaton”)

1. Wheaton leased one 2021 GMC Sierra Denali (the “Wheaton Unit”) to Allied pursuant to a lease agreement dated June 10, 2021. The Receiver has been advised by Allied that the Wheaton Unit was delivered to Allied in, and remains in, British Columbia.
2. Wheaton registered against the Company on June 29, 2021 in British Columbia, which is 19 days after the date of the lease. The Receiver has not been able to determine the date on which the Wheaton Unit was delivered to Allied; however, if it was delivered between June 10 and June 14, 2021 (ie: more than 15 days before the Wheaton registration), then Wheaton’s registered security interest would not be a PMSI. However, because there are no competing registrations over the same collateral in British Columbia, the Receiver has concluded that Wheaton has priority to the Wheaton Unit, regardless of when it was delivered.
3. The Receiver intends to contact Wheaton and inquire about a buyout amount for the Wheaton Unit. If Wheaton is prepared to agree to an acceptable buyout, and the Auctioneer is prepared to increase the NMG by an amount greater than that buyout amount to include the Wheaton Unit in the auction, then the Receiver may proceed with the buyout. If a buyout at an acceptable price is not possible, the Wheaton Unit will be returned by the Receiver to Wheaton.

(h) Queenston Chevrolet Buick GMC (“Queenston”) and Setay Motors Inc. (“Setay”)

1. Queenston leased 17 Chevrolet trucks to Old Allied (the “Setay Units”) pursuant to 17 lease agreements dated between April 24, 2017 and October 26, 2020 (the “Setay Leases”). The leases were financed by Setay and assigned by Old Allied to the Company.
2. The Setay Units, their corresponding VINs and the relevant dates of registrations are summarized in Appendix “E”.
3. The Setay Leases have terms varying from 21 months to 60 months, and all are for a term of more than one year. For the Receiver’s analysis regarding deemed security interests created by the OPPSA over leases for a term of more than one year, please see Section 4.1(c), paragraphs 4, 5 and 6, which analysis applies to the Setay Units.
4. As further detailed in Appendix “E”, Setay has registered in Ontario against Old Allied and the corresponding VIN for 14 of the 17 Setay Units (two of which appear to have expired and been re-registered in April and July, 2022). Historical PPSA searches against Old Allied current to December 21, 2020 disclose VIN registrations for the remaining three Setay Units; however, those have since been discharged or expired.
5. The 14 Setay Units against which VIN registrations have been made are referred to herein as the “VIN Registered Setay Units”, and the three Setay Units against which no VIN registrations are currently in place are referred to as the “Unregistered Setay Units”.

6. Setay was on the service list for the Old Allied proposal proceedings, and on May 3, 2021 was emailed the certificate notifying Setay that the sale of assets by Old Allied to the Company closed on April 30, 2021. This transaction explicitly included the assignment of the Setay Leases of the Setay Units to the Company.
7. Setay is not registered against the Company. As a result, Setay's deemed security interests that arise by operation of the OPPSA are unperfected. However, as discussed above, Setay is registered against 14 VINs and each VIN registration includes "Allied Track Services Inc." (ie: Old Allied) in the debtor name description.
8. In the Receiver's view, Setay's registrations against Old Allied and against the 14 VINs create a scenario where a reasonable person would not likely be materially misled. A PPSA search of any one of the VIN Registered Setay Units would produce a result listing that VIN, with "Allied Track Services Inc." as debtor. The Company conducts business as "Allied Track Services". The Receiver is therefore satisfied that Setay's technical non-compliance with the OPPSA (its failure to register against the Company) is cured by sections 46(4) and 46.1 of the OPPSA, and is further satisfied that there is no prejudice to other stakeholders if Setay's interest in the VIN Registered Setay Units is determined to have priority.
9. The Receiver has concluded that Setay's interests in the Unregistered Setay Units do not have priority, and are not saved by the OPPSA. Copies of the Setay Leases in respect of the Unregistered Setay Units are attached hereto as Appendix "F". They are dated August 6, 2019, September 11, 2019, and March 11, 2020, and are for terms of 21 months, 24 months and 26 months, respectively. By virtue of Setay not being registered against the VINs of the Unregistered Setay Units, Setay's unperfected status is not cured by sections 46(4) or 46.1 of the OPPSA.
10. Accordingly, the Receiver is seeking the following authorizations from the Court in respect of the Setay Units:
 - a. The Receiver shall return to Setay all VIN Registered Setay Units, notwithstanding that Setay has not registered against the Company and two of the registrations were made in 2022 (after Bridging's security was registered in April 2021);
 - b. The Receiver shall be entitled to sell the three Unregistered Setay Units, and those Unregistered Setay Units may be included in the list of assets to be sold in the ASA; and
 - c. The Receiver shall be entitled to pay Setay all outstanding rental payments on the VIN Registered Setay Units, for the period commencing on August 25, 2022 (when the NOI was filed) and ending on the date the applicable Setay Units are returned to Setay.

11. Setay has advised the Receiver that it will require the return of the Setay Units. Nevertheless, the Receiver intends to try to negotiate a buyout amount for the VIN Registered Setay Units. If Setay is prepared to agree to an acceptable buyout, and the Auctioneer is prepared to increase the NMG by an amount greater than that buyout amount to include VIN Registered Setay Units in the auction, then the Receiver may proceed with the buyout of such VIN Registered Setay Units. If a buyout at an acceptable price is not possible, the VIN Registered Setay Units will be returned by the Receiver to Setay in accordance with the authorization sought by the Receiver in this motion.
12. The Receiver has consulted with the Bridging Receiver regarding the proposed treatment of the Setay Units and understands that Bridging does not object.

(i) **LMS Rail Services Limited (“LMS”)**

1. LMS leased approximately 46 Ford trucks to Old Allied (the “LMS Units”) pursuant to a master lease agreement dated on or about March 17, 2021 (the “LMS Lease”). The LMS Lease was assigned by Old Allied to the Company. The LMS Lease is for a term of more than one year. A copy of the LMS Lease is attached hereto as Appendix “G”.
2. LMS has not registered a PPSA financing statement against the Company, nor had it registered a financing statement against Old Allied. For the Receiver’s analysis regarding deemed security interests created by the OPPSA over leases for a term of more than one year, please see Section 4.1(c), paragraphs 4, 5 and 6, which analysis applies to the LMS Units.
3. Accordingly, LMS’s interest in the LMS Units is deemed by the OPPSA to be a security interest, and that security interest is unperfected.
4. The Interim Receiver notified LMS of its unperfected interests by letter dated September 9, 2022. The letter also advised that Allied would continue to pay rent for any LMS Units that Allied was using to complete the Service Contracts. The Receiver has paid approximately \$70,000 to LMS as of the date of this Report pursuant to this undertaking. A copy of the Interim Receiver’s letter of September 9, 2022 is attached as Appendix “H”.
5. LMS was also served with the Second Trustee Report on September 16, 2022, which outlined the Interim Receiver’s preliminary analysis regarding this priority issue.
6. Although LMS is not registered against the Company or Old Allied, VIN searches against the LMS Units disclose that 41 of the 46 LMS Units have registrations against them by VIN, naming LMS as debtor, by the following creditors: Vic Lanoix Holdings Limited (18 LMS Units), HSBC Bank Canada (12 LMS Units), Meridian (8 LMS Units) and Caisse Populaire (3 LMS Units) (collectively, the “LMS Secured Creditors”). The remaining five LMS Units do not have registrations against them by VIN.
7. The LMS Units, their corresponding VINs and the relevant dates of registrations by the LMS Secured Creditors are summarized in Appendix “I”.

8. The Receiver was contacted on October 14, 2022 by counsel to LMS in response to the Interim Receiver's September 9th letter, and has been corresponding with them to determine the nature of the security interests of the LMS Secured Creditors in the LMS Units, as well as the current amounts owing by LMS to the LMS Secured Creditors. The Receiver understands from LMS's counsel that only 19 of the LMS Units are currently subject to secured obligations owing by LMS to the LMS Secured Creditors. The Receiver will file a supplementary report to the extent that further information is obtained following the filing of this Report and before the return date of the Receiver's motion.
9. In the Receiver's view, LMS's interest in the LMS Units is subordinate to the interests of Bridging and Allied's other secured creditors as a result of LMS's deemed security interest being unperfected. However, the interests of the LMS Secured Creditors in LMS's reversionary interest may survive LMS's non-perfection (such interest not to exceed the amount owed by LMS to the respective LMS Secured Creditors in respect of each LMS Unit). If the LMS Secured Creditors have priority to Bridging, up to the amount owing by LMS to the applicable LMS Secured Creditor, any residual value in the applicable LMS Unit would be available to Bridging. If the LMS Secured Creditors do not have priority to Bridging, then all of the value in the applicable LMS Unit would be available to Bridging (not to exceed Bridging's total indebtedness claim).
10. In the Receiver's view, the relative priorities between Bridging and the LMS Secured Creditors is a distribution issue, to be determined at a subsequent motion. However, the fact that (a) LMS's interests in the LMS Units is subordinate to Bridging and Allied's other secured creditors, and (b) Bridging and Allied's other secured creditors have *some* interest in all of the LMS Units, means that the disposition of the LMS Units is a matter for the Receiver's present motion.
11. The Receiver is accordingly seeking the Court's authorization to sell all of the LMS Units (including the LMS Units against which VIN registrations have been made by LMS Secured Creditors), and to include them in the list of assets to be sold under the ASA. The priority of the interest of LMS's Secured Creditors in particular LMS Units can be determined at a later date, subject to Court approval.
12. The LMS Units are not currently listed in the ASA but will be added if the Court grants the requested relief. If the LMS Units are sold, the proceeds of sale will be tracked on a per-LMS Unit basis, so that proceeds can be allocated to each LMS Unit that has a registration by an LMS Secured Creditor against it, if necessary.
13. In the Receiver's view, given the security interests of Allied's secured creditors in the LMS Units, the Receiver is in the best position to monetize the LMS Units in the interests of all creditors, and to determine the appropriate distribution of the proceeds of sale at a subsequent motion, on notice to the LMS Secured Creditors. The anticipated auction of rail equipment is time-sensitive, and it is likely to maximize the value of the collateral.

14. The alternative to the Receiver selling the LMS Units would be to either (i) return the LMS Units to LMS, subject to the interests of the Allied creditors, or (ii) retain the LMS Units pending a final resolution of the LMS Secured Creditors' interests therein. In the Receiver's view, neither is an acceptable result, including because:
- a) LMS's interests in all of the LMS Units are clearly subordinate to those of the Allied secured creditors;
 - b) the interests of the LMS Secured Creditors in certain of the LMS Units are not currently known;
 - c) if the LMS Units were released to LMS, the ultimate use and disposition of the LMS Units would not be subject to these proceedings, and would complicate the distribution of sale proceeds obtained by the Receiver in these proceedings;
 - d) if the LMS Units were released to LMS, Allied's secured creditors would have to register their interests in the LMS Units in the OPPSA registry *against LMS*, notwithstanding that they are not creditors of LMS, which is not clearly provided for by the terms of the OPPSA;
 - e) the Receiver would incur material costs associated with holding the LMS Units, including storage and insurance, and given the seasonality of railway services business, it would miss its opportunity to liquidate the LMS Units at the end-of-season auction (in respect of which time and costs are already being expended, which costs will not be materially increased by including the LMS Units); and
 - f) the current receivership proceeding is the most efficient and appropriate venue to determine the relative rights and entitlements of Allied's secured creditors, on the one hand, and the LMS Secured Creditors, on the other.
15. LMS and the LMS Secured Creditors will be given notice of the Receiver's motion seeking authorization to sell the LMS Units and of a subsequent distribution motion to deal with the proceeds of sale.
16. The Receiver notes that a number of LMS Units are being used by Allied in connection with the Service Contracts. Should the Court grant the requested relief in respect of the LMS Units, no LMS Unit being used to fulfil the Service Contracts will be sold until the portion of the Service Contracts requiring such LMS Unit is complete.

5.0 A Action

1. As noted above, the Receiver and the Company arranged for Equipment to be returned to the North Bay Property for the purposes of consolidating it for one or more auctions. Once such piece of Equipment was a Mark 4 Track Machine (VIN 7114174) that is owned by Allied (the "Mark 4").
2. The Mark 4 was picked up by A Action on or about September 1, 2022 (prior to the interim receivership, but subsequent to the commencement of the NOI proceedings), at Allied's request, to be towed from Welland to North Bay.

3. The Receiver understands that A Action was in the process of towing the Mark 4 to the North Bay Property when it learned of the NOI proceeding. A Action held the Mark 4, and issued a “owner/lien holder notification” to Allied on September 14, 2022 in respect of the Mark 4, claiming a lien under the *Repair and Storage Liens Act* (“RSLA”) in the aggregate amount of approximately \$116,000, including pre-filing invoices totaling approximately \$77,000 in respect of the Mark 4 and other equipment which were incurred between March 25, 2022 and August 24, 2022. A Action asserted that it had a valid possessory lien claim in respect of the Mark 4 under the RSLA, and refused to release the Mark 4 unless paid the full \$116,000 claimed.
4. The Receiver disputed the validity and the quantum of A Action’s possessory lien on the Mark 4 and demanded the immediate return of the Mark 4. The parties agreed that A Action would deliver the Mark 4 to the North Bay Property in exchange for Allied paying A Action’s towing costs for that delivery, without prejudice to A Action’s rights, if any, as a possessory lien claimant pursuant to the RSLA.
5. The Receiver is in the process of assessing A Action’s claim. The Receiver may bring a motion to this Court to decide the matter if it is unable to reach a consensus with A Action with respect to the priority and quantum, if any, of A Action’s claim.

6.0 Overview of the Interim Receiver’s and Receiver’s Activities

1. The Interim Receiver’s activities from September 17 to September 23, 2022 included, among other things, the following:
 - continuing to deal with CP regarding the Service Contracts and all accounting matters associated with the balances due to Allied;
 - arranging to pay for post-filing goods and services, including payroll, insurance, rent and utilities;
 - corresponding with vendors regarding ongoing supply of goods or services;
 - arranging, with the Company, to move the Equipment to the North Bay Property;
 - corresponding with the Company regarding the collection of outstanding receivables and corresponding with the Company’s customers regarding same;
 - corresponding with the Interested Parties regarding the Equipment and coordinating their site visits;
 - reviewing the liquidation proposals submitted by Interested Parties by the Initial Proposal Deadline;
 - corresponding with certain of the Company’s lessors, including LMS, regarding the review of the Company’s leases;
 - continuing to deal with the Bridging Receiver and its legal counsel regarding all aspects of the Company’s restructuring;
 - attending at the virtual Court hearing on September 23, 2022 in respect of the motion for the appointment of the Receiver and approval of the Interim Receiver’s activities for the period September 6 to September 16, 2022;

- dealing with employee matters;
 - dealing with the Company's insurance agent and arranging for continued insurance coverage;
 - arranging for records of employment to be issued to terminated employees;
 - dealing with Blakes regarding the matters summarized in this Report, including with respect to the Leases; and
 - dealing with all other matters in the interim receivership proceeding not specifically addressed above.
2. The Receiver's activities from September 23, 2022 to the date of this Report have included, among other things, the following:
- continuing the activities performed by the Interim Receiver, as set out above;
 - reviewing liquidation proposals submitted by the Second Proposal Deadline and Final Proposal Deadline;
 - corresponding with the Auctioneer with respect to the ASA and the sale process;
 - attending at the Grimsby Property;
 - corresponding with Blakes regarding correspondence from Koskie Minsky LLP, counsel to LIUNA, and responding to its information requests;
 - corresponding with CRA regarding the Company's payroll and sales tax accounts;
 - requesting that CRA perform audits of the Company's accounts on an urgent basis to identify the outstanding balances;
 - preparing information for terminated employees in respect of the Wage Earner Protection Program and requesting information from the Company in respect of same; and
 - dealing with all other matters in this proceeding not specifically addressed above.

7.0 Professional Fees

1. The fees of the Interim Receiver and Blakes during the Interim Receivership proceedings total \$116,326.00 and \$79,145.50, respectively, excluding disbursements and HST. Fee affidavits and accompanying invoices for the Interim Receiver and Blakes are attached as Appendices "J" and "K", respectively.
2. The activities of the Interim Receiver and Blakes are detailed in their respective invoices, in this Report and in the Second Trustee Report.

3. The average hourly rate for the Interim Receiver and Blakes for the referenced billing period was \$550.92 and \$661.20, respectively.
4. The Receiver is of the view that Blakes' hourly rates are consistent with the rates charged by other law firms practising in the area of restructuring and insolvency in the Toronto market, and that its fees are reasonable and appropriate in the circumstances.

8.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommend that this Court make an order granting the relief set out in Section 1.1 (1)(h) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS
RECEIVER AND MANAGER OF 2806401 ONTARIO INC.
O/A ALLIED TRACK SERVICES INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

AUCTION SERVICES AGREEMENT

THIS AGREEMENT is made as of October 17, 2022

BETWEEN:

CORPORATE ASSETS INC., a corporation incorporated under the laws of Ontario

(the “**Auctioneer**”),

- and -

KSV RESTRUCTURING INC. in its capacity as Receiver (as defined below) of the assets, undertakings and property acquired for or used in the business carried on by 2806401 ONTARIO INC. o/a Allied Track Services (“**Allied**”), a corporation incorporated under the laws of Ontario

(the Receiver (as defined below), together with the Auctioneer, the “**Parties**” and each, a “**Party**”)

WHEREAS on September 23, 2022, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made an order, among other things, appointing KSV Restructuring Inc. (“**KSV**”) as receiver and manager (the “**Receiver**”) of the assets, undertakings and property of Allied acquired for or used in the business carried on by Allied (as amended from time to time, the “**Receivership Order**”, and the related proceedings, the “**Receivership Proceedings**”).

AND WHEREAS following its appointment, the Receiver contacted auction services providers and requested proposals for the liquidation of substantially all of the equipment owned by Allied.

AND WHEREAS the Receiver has selected the transaction set out in this Auction Services Agreement (the “**Agreement**”) as the prevailing proposal.

AND WHEREAS, further to the foregoing recital, the Receiver and the Auctioneer have agreed to enter into this Agreement respecting the sale by the Auction of the Assets by the Auctioneer on behalf of the Receiver, upon the terms and conditions hereinafter set forth.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties to this Agreement, the Parties agree as follows:

ARTICLE 1 DEFINITIONS AND RULES OF INTERPRETATION

1.1 Definitions

“**Approval Order**” shall mean one or more orders of the Court in form acceptable to Auctioneer and the Receiver, acting reasonably, authorizing the Receiver to (a) retain Auctioneer on the terms

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set forth herein, (b) pay Auctioneer its compensation on the terms set forth herein without further order of the Court, (c) enter into and consummate the transactions set forth herein, and (d) transfer title to the Assets to any purchasers free and clear of liens, claims and encumbrances.

“**Assets**” means, collectively, all of Allied’s right, title and interest, if any, including any keys and title documents if available, in and to the assets, described on **Schedule “A”** hereto which are located on the Premises or otherwise as set out in Schedule “A”.

“**Auction**” means, collectively, the auction or auctions described in section 2.3 hereof.

“**Auction Period**” means the period commencing on the date the Auctioneer receives access (including keys) to the Premises and continuing for sixty (60) days. Unless otherwise agreed by the Receiver and the Auctioneer, the Auction Period shall commence upon Court approval of this Agreement.

“**Business Day**” means any day which is not a Saturday, a Sunday or a day observed as a statutory or civic holiday under the laws of the Province of Ontario or the federal laws of Canada applicable in the Province of Ontario, on which the principal Canadian chartered banks in the City of Toronto, Ontario are open for business.

“**Buyer’s Premium**” means a buyer’s premium amount of eighteen percent (18%) of the sale price of each Asset, before Taxes (as defined below) which all sales will be subject to, provided that the Auctioneer may waive or discount the Buyer’s Premium on any sale, at its sole discretion.

“**Grimsby Premises**” means 169A South Service Road, Grimsby, Ontario.

“**Insurance Proceeds**” has the meaning given to it in section 2.8(2)(a) hereof.

“**North Bay Premises**” means 1891 Seymour Street, North Bay, Ontario.

“**Premises**” means, collectively, the North Bay Premises, the Grimsby Premises and any other premises leased by Allied that the Auctioneer and the Receiver may agree constitute “Premises” for the purposes of this Agreement.

1.2 Entire Agreement

The Receiver and the Auctioneer agree that these terms and conditions shall govern the sale or resale of the Assets. This Agreement and other documents to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersede all prior agreements or documents (including the offer letter from the Auctioneer to the Receiver dated September 29, 2022), and there are no other representations, warranties, covenants or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document delivered pursuant to this Agreement.

ARTICLE 2
APPOINTMENT OF AUCTIONEER AND CONDUCT OF AUCTION

2.1 Appointment of Auctioneer

- (1) The Receiver hereby appoints the Auctioneer, and the Auctioneer hereby agrees to serve as the Receiver's exclusive agent and mandatary for the limited purpose of conducting the Auction in accordance with the terms and conditions of this Agreement.
- (2) The Auctioneer hereby acknowledges that it will not hold itself out as agent of the Receiver except as specifically provided for in this Agreement and that the Auctioneer's authority as agent for the Receiver is limited to the powers specifically provided for in this Agreement.

2.2 Subcontracting

The Auctioneer may not subcontract the performance of any of its duties or obligations under this Agreement to any person, unless authorized in writing by the Receiver.

2.3 Conduct of the Auction

- (1) Subject to section 2.5, all matters relating to the conduct of the sale or re-sale, including advertising, marketing, the preparation of Assets for sale, cleaning, detailing, setup, cataloguing, preview, inspection arrangements, collection, invoicing, supervision of the release period following the Auction and the timing and duration of the Auction, shall be at the responsibility of and in the sole discretion of the Auctioneer, completed in the manner and at the times directed by it in a manner consistent with the auctioning of assets of a similar nature and value to the Assets; provided, however, that the Auction shall be completed, and the Assets (including any unsold assets) will be removed by the Auctioneer or the relevant purchaser from the Premises, by no later than December 31, 2022.
- (2) The Auction shall be conducted by the Auctioneer by way of one or more live webcast auctions, at the single Premises or multiple Premises agreed by the Auctioneer and the Receiver, at the Auctioneer's sole expense. The Receiver hereby acknowledges and consents to the auction or auctions being conducted on or about the week of November 7 or 14, 2022, or such other date or dates as the Receiver and the Auctioneer may agree (the date of each auction, the "**Auction Date**"). The Auctioneer reserves the right to deviate from the sale approach or the marketing approach (subject to section 2.5) prior to the Auction Date if the Auctioneer determines in its sole discretion that the alternative approach will result in a commercially reasonable net recovery. For the avoidance of doubt, no such modifications shall amend the Auction Period, except with the written consent of the Receiver.

2.4 No Warranty

The Assets shall be sold by the Auctioneer at the Auction, on an "as is, where is" basis with no representation, condition or warranty of any kind being made by the Auctioneer, the Receiver or



Allied to potential or final buyers. Further, except for the Receiver's representations and warranties expressly set forth in section 4.1 of this Agreement, no representation, condition or warranty of any kind are being made by the Receiver to the Auctioneer and the Auctioneer acknowledges that it has made, or will make, such inspections of the Assets as it deems appropriate and that neither Allied, the Receiver nor any other person has made any representation, warranty or condition, whether statutory, express or implied, oral or written, legal, equitable, collateral or otherwise, as to title, encumbrances, fitness for purpose, marketability, condition, quantity or quality thereof or in respect of any other matter or thing whatsoever. Any sale of Assets at the Auction shall be governed by the terms of a bill of sale in form and substance acceptable to the Auctioneer and the Receiver.

2.5 Use of Name

The Receiver agrees that the Auctioneer shall be entitled during the term of this Agreement to the use of the name and logo of "Allied Track Services" (the "Company Name") where necessary or desirable in order for the Auctioneer to complete the sale of the Assets, in each case solely for the marketing and merchandising of the Assets. At the request of the Receiver, the Auctioneer shall supply the Receiver with samples of any materials distributed by the Auctioneer which utilize or include the Company Name, and the Receiver may, acting reasonably, approve or disprove of any such use. If the Receiver disapproves any such use, the Auctioneer must immediately cease such use. For greater certainty, the Auctioneer shall not be permitted to use any other marks relating to Allied or its business.

2.6 Access to the Premises

- (1) The Receiver agrees to arrange for the Auctioneer to have rent free, unrestricted and full access to the serviced (with utilities) Premises during the Auction Period, unless this Agreement is otherwise terminated pursuant to Article 5 for preparing the Assets for the Auction. The Receiver shall also have unfettered and full access to the Premises and the Assets during the Auction Period. The Receiver agrees to allow access to the Premises to members of the public, by appointment and under the supervision of the Auctioneer, for pre-sale inspections of the Assets; provided that the Receiver shall not be obligated to allow any such access where doing so would not be in accordance with the advisories and recommendations of the federal and applicable municipal provincial governments and of the Public Health Agency of Canada in connection with the COVID-19 pandemic. The Receiver has made arrangements for the Auctioneer to access the Premises, and shall ensure that forthwith after the issuance of the Approval Order that the Auctioneer is provided with such full access to the Premises in accordance with the terms of this Agreement at no cost to the Auctioneer.
- (2) The Auctioneer agrees to vacate the Premises by no later than the expiry of the Auction Period. After the completion of the sale or re-sale, the Auctioneer shall supervise the removal of the sold and unsold Assets from the Premises assuring removal shall be done in a workmanlike manner and in accordance with the advisories and recommendations of the federal and applicable municipal and provincial governments and of the Public Health Agency of Canada in connection with the COVID-19 pandemic. The removal of all such

Assets from the Premises shall be completed prior to the expiry of the Auction Period, and all purchasers of Assets through the Auction shall agree that their purchase is conditional upon the removal of their purchased Assets from the Premises prior to the expiry of the Auction Period. The Auctioneer shall be required to remedy or repair any condition of the Premises resulting from preparation for the Auction, the conduct of the Auction, or the removal of Assets. For greater certainty, the Auctioneer shall not be responsible to remedy any pre-existing condition on the Premises prior to the Auction. The Auctioneer shall leave the Premises in a tidy manner upon the expiration of the Auction Period. The obligations of the Auctioneer under this agreement extend only to the portions of the Premises utilized by it during the Auction process.

- (3) The Auctioneer shall not be responsible or liable for any environmental conditions or damage, hazardous, environmentally-regulated or waste substances of any kind including in, on, under or affecting the Premises, except to the extent such conditions or damages are caused by the actions of the Auctioneer, and the Auctioneer shall have no obligation to deal with, store or remove such substances. The Receiver acknowledges and agrees that the Auctioneer is not in care, management, possession or control of the Premises for the purposes of any environmental legislation.

2.7 Indemnity

- (1) The Auctioneer shall and hereby agrees to defend, indemnify, and hold harmless Receiver and its officers, directors, agents, employees and principals from and against any and all known or unknown losses, damages, liabilities, claims, actions, judgments, penalties, fines, court costs and legal or other expenses which Receiver may incur as a direct or indirect consequence of: (i) negligent or intentional acts or omissions of Auctioneer or its agents, employees, representatives and principals in connection with the Auction or the removal of the Assets from the Premises; and/or (ii) the material breach by Auctioneer of any of its representations, warranties or other obligations under this Agreement and/or any claims asserted by Auctioneer's employees or agents, including Auctioneer's employees' or agents' payroll claims (wage claims, claims for taxes required to be withheld from wages, social security, etc.), or unemployment compensation claims.

2.8 Insurance

- (1) The Receiver shall maintain customary insurance and shall be responsible for loss or damage to the Assets, other than loss or damage arising as a result of the negligence of Auctioneer, its agents or employees, until the earliest of:
 - (a) the removal of the Assets from the Premises by the purchaser or the Auctioneer (in the case of unsold assets); or
 - (b) the termination of the Auction Period.
- (2) Until sold to purchasers, the Assets shall remain at the risk of the Receiver. In the event of any loss or damage to some or all of the Assets prior to the sale of such Assets:

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- (a) where all or substantially all of the Assets are lost or damaged, the Auctioneer shall have the option to: (1) (i) accept the insurance proceeds payable in respect of the lost or damaged Assets (the "**Insurance Proceeds**"), if any, (ii) retain from the Insurance Proceeds an amount equal to 18%/118% of the Insurance Proceeds as compensation for the lost Buyer's Premium, and then (iii) complete the transactions contemplated hereby with the remainder of the Insurance Proceeds being deemed "Proceeds" for the purposes of this Agreement; or (2) terminate this Agreement, in which case all Parties shall be released from all obligations hereunder, provided that (i) the Receiver shall be entitled to retain 100% of the Insurance Proceeds, and (ii) the Receiver shall refund the Deposit to the Auctioneer. In the event that the Auctioneer chooses option (2), the Receiver shall be entitled to receive all proceeds of Assets sold prior to the Auctioneer's termination of this Agreement (excluding the Buyer's Premium); and
- (b) where some but not all or substantially all of the Assets are lost or damaged, then (1) the Auctioneer shall be entitled to an amount from the Insurance Proceeds equal to 18%/118% of the Insurance Proceeds as compensation for the lost Buyer's Premium, (2) the remaining Insurance Proceeds shall be distributed to the Receiver, and (3) the Guaranteed Amount shall be reduced by an amount equal to the amount of Insurance Proceeds distributed to the Receiver.
- (3) The Auctioneer will be responsible for arranging third-party liability insurance with respect to the Auctioneer's access to and use of the Premises during the Auction Period and shall be responsible for the costs of such insurance. The third-party liability insurance shall provide for not less than \$5 million coverage per occurrence and the Receiver and Allied shall be named as additional insureds under such insurance. The Auctioneer shall provide proof of such insurance to the Receiver at the commencement of the Auction Period.

ARTICLE 3 CONSIDERATION PAYABLE

3.1 Net Minimum Guarantee

- (1) The Auctioneer hereby guarantees the Receiver a minimum amount for the Assets in the sum of [REDACTED] plus applicable taxes (the "**Guaranteed Amount**"), as may be increased or decreased from time to time in accordance with Section 3.1(2), without adjustment, recoupment or set off of any kind other than as provided for in section 3.2, notwithstanding that the Proceeds (as defined below) may be less than such amount. The Auctioneer shall pay the Guaranteed Amount in two stages, with 15% of the Guaranteed Amount being paid to the Receiver within four (4) Business Days of the execution of this Agreement (the "**Deposit**") and the balance of the Guaranteed Amount being paid by the Auctioneer in accordance with Sections 3.2(2) or 3.2(3) hereof. The Deposit shall be paid by wire transfer of immediately available funds to the account identified on **Schedule "B"**.
- (2) The assets to be sold by the Auctioneer at the Auction may be increased or decreased, with a corresponding increase or decrease to the Guaranteed Amount, on the following terms:

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- (a) If any of the Assets are withdrawn from the Auction or have changed in condition since the Auctioneer's inspection, the Auctioneer and the Receiver will negotiate a reduction in the Guaranteed Amount based on the per-unit breakdown provided to the Receiver on **Schedule "A"**. In no circumstance will such a reduction in the Guaranteed Amount be decreased by an amount of more than the corresponding amount per unit on **Schedule "A"**, unless otherwise agreed by the Parties.
- (b) If any assets are added to the Auction, the Auctioneer and the Receiver will negotiate an increase of the Guaranteed Amount based on the agreed upon value of the additional assets, and **Schedule "A"** shall be amended to include the additional assets and corresponding per-unit price. For the avoidance of doubt, any assets added to **Schedule "A"** pursuant to this section shall be "Assets".

If a reduction or increase to the Guaranteed Amount is agreed to by the Auctioneer and the Receiver in accordance with this Section, the resulting amount shall be the "Guaranteed Amount" for the purposes of this Auction Services Agreement, including without limitation Section 3.2(2)(b) and 3.2(3)(b).

- (3) In the event that this Agreement is terminated in accordance with Section 5.1, 5.3 or 2.8(2)(a), the Receiver shall forthwith return the Deposit to the Auctioneer and the Auctioneer shall have no further obligation to pay the Guaranteed Amount (and the return of the Deposit shall be the sole and exclusive remedy of the Auctioneer). If this Agreement is terminated for any other reason whatsoever, then the Deposit shall be forfeited by the Auctioneer to, and become the sole property of, the Receiver, as liquidated damages and not as penalty, in addition to any other rights and remedies the Receiver may have against the Auctioneer available at law or in equity.

3.2 Application of Proceeds and Taxes

- (1) The Auctioneer shall, at its own expense, prepare and deliver to the Receiver within 24 hours of each applicable Auction Date a draft list of all Assets sold in the Auction reflecting the sale prices of such Assets, subject to final collection in full. Once the sold Assets are collected for in full by the Auctioneer, the Auctioneer shall, at its own expense, prepare a final list of Assets, the sales of which have been collected for in full, and a report containing an accounting of the aggregate proceeds of the sale of such Assets, including Taxes but excluding the Buyer's Premium (the "**Proceeds**"), and shall deliver to the Receiver copies of such final lists, invoices and accounting report within thirty (30) Business Days of each applicable Auction Date.
- (2) Provided the full amount of the Deposit has been paid by the Auctioneer to the Receiver in accordance with the terms of this Agreement and the Proceeds, before Taxes, are greater than the Guaranteed Amount, the Proceeds shall be distributed or retained by the Auctioneer, in the following order of priority:
 - (a) first, all Taxes shall be remitted by the Auctioneer to the proper governmental authorities when due, unless the Receiver instructs the Auctioneer to remit the



Taxes to the Receiver, in which case the Auctioneer shall distribute the Taxes to the Receiver;

- (b) second, an amount equal to the difference between the Guaranteed Amount (as such amount may be increased or reduced pursuant to Sections 2.8(2)(b) or 3.1(2)) and the Deposit shall be paid to the Receiver within ten (10) Business Days following the final Auction Date;
 - (c) third, an amount equal to the Deposit shall be retained by the Auctioneer;
 - (d) fourth, [REDACTED] shall be retained by the Auctioneer to cover its costs, such as commissions, advertising and Auction set up; and
 - (e) fifth, all remaining Proceeds, if any, shall be paid to the Receiver on a weekly basis as sold Assets are removed from the Premises (the "**Receiver's Residual**").
- (3) Provided the full amount of the Deposit has been paid by the Auctioneer to the Receiver in accordance with the terms of this Agreement and the Proceeds, before Taxes, are less than the Guaranteed Amount, the Proceeds shall be distributed by the Auctioneer, in the following order of priority, and the Auctioneer shall fund the Guaranteed Amount, as follows:
- (a) first, all Taxes shall be remitted by the Auctioneer to the proper governmental authorities when due, unless the Receiver instructs the Auctioneer to remit the Taxes to the Receiver, in which case the Auctioneer shall distribute the Taxes to the Receiver; and
 - (b) second, an amount equal to the difference between (i) the Guaranteed Amount (as such amount may be increased or reduced pursuant to Sections 2.8(2)(b) or 3.1(2)), and (ii) the Deposit, shall be paid by the Auctioneer to the Receiver within ten (10) Business Days following the final Auction Date.

- (4) All amounts payable to the Receiver pursuant to Sections 3.2(2) or 3.2(3) shall be paid by wire transfer of immediately available funds to the account identified on **Schedule "B"**.
- (5) The Buyer's Premium shall be retained by the Auctioneer.
- (6) The Auctioneer shall be solely responsible for collecting any applicable federal and provincial taxes exigible in connection with the sale of the Assets (the "**Taxes**") and shall, unless the Receiver directs the Auctioneer to distribute the Taxes to the Receiver, remit all such Taxes to the proper governmental authorities when due. The Auctioneer shall indemnify and save harmless the Receiver from and against any and all sales tax, penalties, costs and/or interest (including but not limited to legal fees on a solicitor and his own client basis) which may become payable by or assessed against the Receiver under the applicable laws in connection with the purchase and sale of the Assets pursuant to this Agreement.
- (7) Any costs of any replacement parts or labor procured or undertaken by the Auctioneer to enhance net realization will be the sole cost of the Auctioneer, and will not reduce the Guaranteed Amount or be deducted from the Receiver's Residual.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 The Receiver's Representations and Warranties

The Receiver represents and warrants that each of the facts set out below hereto is correct in all material respects as of the date of this Agreement:

- (a) Residency: Allied is not a non-resident person within the meaning of Section 116 of the *Income Tax Act* (Canada); and
- (b) HST Registration: The registration numbers of Allied entities for the purposes of the *Excise Tax Act* (Canada) is 78923 0067 RT0002.

4.2 The Auctioneer's Representations and Warranties

The Auctioneer represents and warrants that each of the facts set out below hereto is correct in all material respects as of the date of this Agreement:

- (a) Corporate Existence: The Auctioneer is a corporation incorporated and existing under the laws of the Province of Ontario;
- (b) Capacity and due Authorization: The Auctioneer has the necessary capacity to enter into this Agreement and perform its obligations under this Agreement and any other agreements or instruments to be delivered or given by it pursuant to this Agreement. The execution, delivery and performance by the Auctioneer of this Agreement and the consummation of the transaction contemplated hereby have been duly authorized by all necessary corporate action on the part of the Auctioneer;

- (c) Binding Agreement: This Agreement and any other agreements entered into pursuant to this Agreement to which the Auctioneer is a party constitute legal, valid and binding obligations of the Auctioneer, enforceable against the Auctioneer in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction;
- (a) Brokers: No agent, broker, person or firm acting on behalf of the Auctioneer is, or will be, entitled to any commission or brokers' or finders' fees from the Auctioneer or from any affiliate of the Auctioneer, in connection with this Agreement or the transaction contemplated hereby.
- (b) Residency: The Auctioneer is not a non-resident person within the meaning of Section 116 of the *Income Tax Act* (Canada); and
- (c) HST Registration: The Auctioneer's registration number for the purposes of the *Excise Tax Act* (Canada) is 13810 5861 RT0001.

ARTICLE 5 TERMINATION

5.1 Termination by Mutual Consent

This Agreement may be terminated at any time by mutual written consent of the Receiver and the Auctioneer.

5.2 Termination by the Receiver

If the Auctioneer fails to comply with any of the provisions of this Agreement in any material respect, the Receiver shall be entitled at its option to terminate this Agreement, but only if the Receiver provides the Auctioneer with three (3) Business Days to remedy such failure and the Auctioneer has not done so, without prejudice to the Receiver's right to be paid or retain the full amount of the Guaranteed Amount. In such event, any of the Assets not sold may, at the Receiver's option, be sold or resold by the Receiver in such manner and on such terms and conditions as the Receiver in its sole discretion determines.

5.3 Termination by Auctioneer

- (1) If the Receiver fails to comply with any of its material obligations under this Agreement, the Auctioneer shall be entitled at its option to terminate this Agreement, but only if the Auctioneer provides the Receiver with three Business Days to remedy such failure and the Receiver has not done so.
- (2) If the Approval Order has not been granted by November 4, 2022, the Auctioneer may re-inspect the Assets to determine if the condition of the Assets has changed and may elect to

terminate this Agreement without penalty if the Auctioneer and the Receiver do not agree on a modification.

ARTICLE 6

6.1 Condition Precedent

Other than the payment of the Deposit pursuant to Section 3.1(1), the terms of the Deposit in Sections 2.8(2)(a) and 3.3(3), and the termination rights in Section 5.3, this Auction Services Agreement is conditional on and subject to (a) the issuance of the Approval Order and (b) all appeal periods in respect of the Approval Order having expired, provided that the Receiver may, in its sole discretion, waive the condition that all appeal periods have expired.

ARTICLE 7 GENERAL

7.1 Force Majeure

- (1) Neither Party shall be liable or responsible to the other for any failure or delay in performance or a breach of the terms under the Agreement due to conditions beyond its control despite using reasonable commercial efforts to ensure completion of the outstanding obligation within the applicable time frames provided for in this Agreement including, but not limited to, Acts of God, wars, riots, insurrections, epidemics or pandemics (including, without limitation, the COVID-19 pandemic and any order, direction or recommendation of any relevant governmental authority pertaining thereto), natural disasters, fires, acts of terrorism and/or any other cause beyond reasonable control that have the effect of materially disrupting, interfering and/or obstructing any segment of the economy.
- (2) In the event of an Act of God, wars, riots, insurrections, natural disasters, fires, acts of terrorism and/or any other cause beyond reasonable control that have the effect of materially disrupting, interfering and/or obstructing any segment of the economy (but specifically excluding the COVID-19 pandemic and any order, direction or recommendation of any relevant governmental authority pertaining thereto) up until the commencement of the Auction Period, the Auctioneer may seek to amend the terms of the Agreement. If the Parties are unable to agree to an acceptable revision to this Agreement, this Agreement will be terminated and the Deposit will be returned to the Auctioneer.

7.2 Assignment

The Auctioneer shall not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the Receiver.

7.3 Confidentiality

The Receiver and the Auctioneer shall keep confidential all information and documents pertaining to the financial terms contained herein except for such information required to be disclosed by



applicable law, court order, or as may be disclosed by the Receiver in the course of the Receivership proceedings, in the Receiver's sole discretion.

7.4 Applicable Law and Jurisdiction

This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

To the fullest permitted by applicable law, each party to this Agreement (i) agrees that any action by such party seeking any relief whatsoever arising out of, or in connection with, this Agreement or the transaction contemplated hereby, shall be brought only in the Court and shall not be brought in any other court in Canada or any court in any other country, (ii) agrees to submit to the exclusive jurisdiction of the Court, in the Receivership Proceedings, for purposes of all legal proceedings arising out of, or in connection with, this Agreement or the transactions contemplated hereby, (iii) waives and agrees not to assert any objection that it may now or hereafter have to the laying of the venue of such action brought in the Court or any claim that any such action brought in the Court has been brought in an inconvenient forum, (iv) agrees that email service of process or other papers in connection with any such action or proceeding shall be valid and sufficient service thereof, and (v) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law.

7.5 Severability

If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

7.6 Amendment and Modification

This Agreement may only be amended or modified in a writing stating specifically that it amends this Agreement and is signed by an authorized representative of each Party.

7.7 Execution by Electronic Transmission

The signature of any of the Parties hereto may be evidenced by a facsimile, scanned email or internet transmission copy of this Agreement bearing such signature.

7.8 Counterparts

This Agreement may be signed in one or more counterparts, each of which so signed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument. Notwithstanding the date of execution or transmission of any counterpart, each counterpart shall be deemed to have the effective date first written above.



7.9 Receiver

KSV is acting solely in its capacity as the Court-appointed Receiver of Allied in the Receivership Proceedings pursuant to the Receivership Order and not in its personal or corporate capacity, and the Receiver has no liability in connection with this Agreement or any sale of the Assets whatsoever, in its personal or corporate capacity or otherwise.

[SIGNATURE PAGES TO IMMEDIATELY FOLLOW]



AGREED TO AND ACCEPTED as of the date first written above.

**KSV RESTRUCTURING INC., in its capacity as
Court-appointed Receiver and Manager of
2806401 Ontario Inc. o/a Allied Track Services,
and not in its personal or corporate capacity and
without personal or corporate liability:**




Per: _____

Name: Mitch Vininsky
Title: Managing Director



CORPORATE ASSETS INC.

Per: 
Name: *Ryan Neo*
Title: *President*



SCHEDULE "A"
ASSETS INCLUDING PER UNIT BREAKDOWN

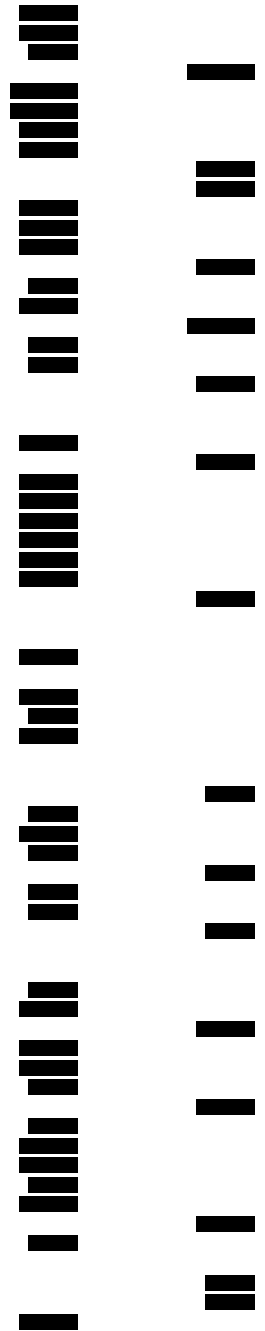
See Attached

24565415.2



Description	Chassis - Serial No.	Location	Hours	Value Inspected	Value NOT Inspected
IMPACT WRENCHES	8 UNITS	Grimsby?			
WELDERS PORTABLE/SHOP	4 UNITS	Grimsby/North Bay			
GIESMAR HYD POWER PACKS	5 UNITS	Grimsby/North Bay			
GENERATOR		Grimsby			
GENERATOR		North Bay			
TIE CART OTM	Fabricated IN North Bay SHOP.	North Bay			
BALLAST CAR		North Bay			
BALLAST CAR		North Bay			
OTM CART	Fabricated IN North Bay SHOP.	North Bay			
OTM CART	Fabricated IN North Bay SHOP.	North Bay			
TIE CART OTM	Fabricated IN North Bay SHOP.	North Bay			
OTM CART	Fabricated IN North Bay SHOP.	North Bay			
OTM CART	Fabricated IN North Bay SHOP.	North Bay			
OTM CART	Fabricated IN North Bay SHOP.	North Bay			
OTM CART	Fabricated IN North Bay SHOP.	North Bay			
Bearsaw	441 S/N N/A	North Bay	N/A		
PROFILE GR NDERS/SWITCH POINT	7 UNITS TOTAL LOT	North Bay			
SCRAP RECLAIMER	FAIRMOUNT S/N N/A	North Bay	3420		
SCRAP RECLAIMER	HOLLEY S/N N/A	North Bay	1450		
SCRAP RECLAIMER/DUAL	HOLLEY	North Bay			
SCRAP RECLA MER/SPIKE PLUCKER	HOLLEY S/N 588	North Bay			
64-9J-L Auto Lift - 2014 Nordic	790677RB-UG	MB			
64-10J-L Plate Jack - 2015 Nor	790683RB-UG	North Bay			
64-11J-L Auto Lift - 2015 Nord	790684RB-UG	North Bay			
2016 Nordco Auto Lift	791084	North Bay			
65-5P Super Claw - Nordco Supe	438	North Bay	5504		
65-8P Spike Puller - 2005 Nor	45022005	North Bay	3802		
65-12P Spiker Puller - 2012 No	310223	North Bay			
65-13P Spike Puller - 2012 Nor	310224	North Bay	5965		
65-14P Spike Puller - 2012 Nor	310254	MB			
65-12P Spiker Puller - 2012 No	310345	North Bay	3443		
65-17P-L Spike Puller - 2015 N	310349	North Bay	3384		
RAIL HEATER		North Bay	614		
SKID SPRAYER/BOOMLESS BAR		Grimsby			
BLOWER MACHINE		North Bay			
NORDCO MODEL M		North Bay			
80-11B-L 4600 Regulator	4600-201-15	North Bay			
80-12B-L 4600 Regulator	4600-202-15	Samia			
80-13B-L M7 Regulator	800601	North Bay	5949		
80-14B-L M7 Regulator SNOW PLOW ATTACHEMENTS for item below	QTY 2	North Bay			
80-14B-L M7 Regulator	800602	Cambridge			
80-16B-L 46-2 Regulator	46-343-12RB-UG	North Bay	2565		
80-17B 4600 Regulator	4600-217-15	North Bay			
904A Liebherr		North Bay			
904A Liebherr/LONG REACH		North Bay			
902 LIEBHERR	7022480	North Bay			
81-20 Hitachi - 2015 / RT60B #	HCMCKB00J00001137	North Bay	8557		
81-21 Hitachi - 2015 / RT60B #	HCMCKB00J00001130	North Bay			
81-22 Hitachi - 2015 / RT60B #	HCMLCC60K00004003	North Bay	2843		
81-23 Hitachi - 2015 / RT60B #	HCMLCC60A00004007	North Bay			
82-5D - 2004 Nordco CX Spiker	410500 ASF	North Bay			
82-6D - 2009 Nordco CX Spiker	410141RB-UG	North Bay	8928		
82-8D - 2011 Nordco CX Spiker	410116RB-UG	North Bay	8802		
82-10D - Nordco CX Spiker	410728	North Bay	13118		
82-13D-L - 2015 Nordco CX Spiker	410395RB-UG	Hudson Bay			
82-14D-L - 2015 Nordco CX Spiker	410396RB-UG	North Bay	3392		
82-15D-L - 2015 Nordco CX Spiker	410397RB-UG	North Bay			
83-7I Tripp - 2007 Model C	760589	North Bay	4367		
TR 10 TIE NSERTOR		North Bay			
83-12I-L Tripp - 2014 Model D	760589	Hudson Bay			
83-13I-L Tripp - 2015 Model D	760612	North Bay	3815		
83-14I-L Tripp - 2015 Model D	760613	Kapuskasing			
84-8S Pettibone (Pumpkin)	S/N 2652	North Bay	1170		

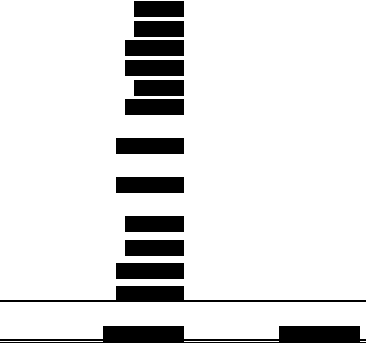
84-13S-L - 2015 Pettibone 445	SS10236-15	North Bay	1155
85-3T - Jackson Tamper 6700	142414	North Bay	N/A
85-9T - 1988 Jackson Tamper -	6700	North Bay	
85-10T-L - 2014 Harsco Tamper-	7114114	Sarnia	
85-11T-L - 2015 Harsco Tamper	7114174	Hamilton	
85-13T-L - 2015 Harsco Tamper	7114095	Cambridge	
85-14T-L - 2013 HST Nordco Tamper	61904013	North Bay	
85-16T 2002 HTT Chase Tamper	153193	North Bay	9480
87-3Z-L - 2015 Cribber Adzer	38-218-15	MB	
TRACKMOBILE	31432470	Toronto	
TRACKMOBILE		Grimsby	
89-TS - 1997 HTT-T50-27 TRACK	RM1090356	North Bay	
LINK BELT	ECHJ8-3779	North Bay	11075
2005 John Deer Excavator 120C	FF120CX035557	North Bay	8697
580K CASE	JAB0004932	North Bay	
JCB BACKHOE/WITH HIRAIL	SLP214TC8U09107	North Bay	N/A
2018 CAT 430 Backhoe Loader	CAT0430FALYE00214. SIGNALS	Kamloops	
RAIL PULLER		North Bay	
RAIL PULLER		North Bay	
RAIL BENDER		North Bay	
MACK BOOM TRUCK			
MACK BOOM TRUCK/ WITH MAG	SERCA BOOM S/N 1M2AG10J96M030420	North Bay	
Westernstar 4900SB Truck	SERCS BOOM	MB	
PETERBILT 367	5KJRALD12GPHN1133	North Bay	
Peterbilt Truck	WET LINE	North Bay	
ROTARY DUMP	WET L NE 1XP-FDBOX	North Bay	
DODGE 5500/SERVICE BODY/CRANE	1FDZS96P2WVA24110	North Bay	289481
DODGE 5500/SERVICE BODY/CRANE	FIELD MECHANIC UNIT 3J7WRNBL5 88988	North Bay	
2000 Freightliner FL 80 Hi Rai	3C7WRNBL3FG505882	Grimsby	
	1FVXJBB7YHF87320	Kamloops	
EQU PMENT HAULING			
LOAD KING	DROP DECK	North Bay	
LANDOLL 410B	T LT AND LOAD WITH RAIL KIT S/N 1ZH410VJ391817421	North Bay	N/A
MAGNUM BOOSTER AXLE	S/N 2P9BD16697A015478	North Bay	
LOW BOY WITH RA L KIT.	DROP DECK	North Bay	
JOB SITE STORAGE ETC.			
CARGO MAX		MB	
JDJ TRAILER	2J9UTE625M1022234	North Bay	
ENCLOSED TRAILER		BC	
ENCLOSED TRAILER	56JTE1423JA158486	Grimsby	
HITCHMAN TRAILER	2G9E35KBXCH019425	North Bay	N/A
ENCLOSED TRAILER	5NHULE625AN071193	MB	N/A
STEALTH ENCLOSED TRAILER		North Bay	
MIRAGE TANDEM TRAILER		Grimsby	
FORD F150 SUPERCREW XLT			
FORD F150 SUPERCREW XLT	1FTFW1ET5EFB63393	Grimsby	
FORD F150 SUPERCREW XLT	1FTFW1ET6EFA33414	North Bay	
CHEV 1500 SUPERCREW 4x4		MB	
CHEV 1500 SUPERCREW 4x4	2GCUKPEC8EG242948	North Bay	
FORD F150 SUPERCREW XLT		Grimsby	
CHEV 1500 SUPERCREW 4X4	3GCUKREC1EG128205	North Bay	
Ford Edge SEL	2FMPK4J95GBC47595	Calgary	
CHEV 2500 SUPERCREW 4X4-	1GC1KVCG8EF18100	North Bay	
CHEV 2500 SUPERCREW 4X4-	1GC1KVCG0EF182324	North Bay	
FORD F150	1FTFW1CT9CFC14328	North Bay	
FORD COF/ Tank		North Bay	
FORD F150 SUPER CAB	1FTEW1CM9DFA25491	North Bay	
FORD F150 SUPER CAB	1FTFW1ET0DKD39014	Grimsby	
FORD F150	1FOX46F92EB99793	North Bay	
FORD ECO PASSENGER			
SAVANA 3500. RET RED		North Bay	
FORD TRANSAT	1FBAX2CM3FKA25311	North Bay	



FORD TRANSAT	1FBAX2CM5FKA23706	North Bay	
PETERB LT 5500 POWER UNIT	1NPAXBEX85D833104	North Bay	
JOHN DEERE 91-7X-L W/GRAPPLE ATTACHMENTS FOR UNIT MAG	MAG FOR UNIT	North Bay	
MAJESTIC 3 AXLE TRAIL FOR OTM		North Bay	
CARGO MATE ORBL820TA2	5NHUBLV23FB453126	North Bay	
FAE BRUSH CUTTER/MULCHER	21-3614	North Bay	
SANDER/SALTER FOR PICK UP BOX	Qty 2	North Bay	
WATER CART		North Bay	N/A
WATER CART		North Bay	N/A
UT LITY CART (SIGNALS)		North Bay	
FORD F350	1FT8W3B69BEB27193	North Bay	
FORD F150 SUPERCREW XLT	1FTFWIEF6EF634463	North Bay	
CUSTOM TRAILER NOT PLATED	N/A	North Bay	
WASTE O L TANKS QUANTITY 2		North Bay	
SH PPING CONTA NER MISCELANEOUS TRACK TOOLS		North Bay	
BATEMAN RK MAGNET QTY 5		North Bay	
QTY 6 PLOWS, GRAPPLER, BOBCAT FORKS, W NG PLOW		North Bay	
SIDEWINGS		North Bay	
TRAIN SNOWPLOW		North Bay	
SNOWPLOWS, TRUCK TIRES, SPARE METAL RAIL LINES, BOBCAT FORKS, TRAIN			
SWEEPERS ATTACHMENTS, JAW MOUNT, TIE CLAMPS, BOBCAT PLOWS, TIE			
BUNDLES		North Bay	
FORD F250	1FT7W2B60CEB62793	North Bay	
FORD F350 XL SUPER DUTY 6IT DEISEL		North Bay	
L EBHERR-902 EXCAVATOR		North Bay	
Q-C CARTS QTY 2		North Bay	
HYDRAULIC CYLINDER, GAS FIRE SUPRESSION MACHINE, 2 TON MOTOR LIFT,			
FLU D PUMPERS QTY 2, GRIND NG STONES 2 SKIDS, TIE PLUGS, BAND STRAPPING		North Bay	
QTY 10, HYDRAULIC RAIL SPREADER			
YELLOW COMPRESSOR (BELONGS TO BUILDING), BLUE COMPRESSOR (ALLIED)		North Bay	
GENERATORS QTY 4, POWER PACKS QTY 2, WATER PUMPS QTY 2, BLOWER			
PACKS QTY 2, HIGH CAPACITY EXTENSION CHORD, GAS DR LL, BOZ CART OPENER			
QTY 2 HYDRAULIC DRILL QTY 3 RAIL PULLER		North Bay	
RAIL GR NDER, PART CLEANER		North Bay	
FUEL TANK, SANDER,		North Bay	
TIE CARTS QTY 10		North Bay	
SHUNT CAR		North Bay	11457
TAMPER		North Bay	
FORD L8000 CRANE TRUCK		North Bay	2210
SPIKE PULLER QTY 2		North Bay	
TAMPER		North Bay	
Plate Jack		North Bay	
BEAR SAW		North Bay	
KERSHAW 504-4001		North Bay	
JACKSON TAMPER 3300		North Bay	
JACKSON TAMPER 143966		North Bay	
QTY 2, TOOL BOXES, OWNER DERREN		North Bay	
ENVIROMENTAL WASTE O LS		North Bay	
WORK BENCH, ALEMITE, OIL CONTAINER QTY 2		North Bay	
MISC. O L		North Bay	
HASSCO WHITE 1100 LTR USED OIL TANK, S/N102077		North Bay	
WORK BENCH, AIR HOSES		North Bay	
JET DRILL PRESS		North Bay	
METAL SAW CUTTER		North Bay	
SMOKE OUT PLYMORENT		North Bay	
WORK BENCH, WELDING RODS		North Bay	
METABO SANDING MACHINE		North Bay	
M7 DR LL		North Bay	
POWER FIST PRESS 50 TON		North Bay	
HYD-MECH S-20 BAND SAW 80 PANDROL POWER PACK		North Bay	
WORK BENCH MISC. METAL P PE SUPPL ES		North Bay	
THERMITE WELD NG KITS		North Bay	
RACK NG. METAL SUPPL ES		North Bay	
WORK TABLE		North Bay	



BUGGY, M4 BODY PARTS		North Bay	
MANUAL PORTABLE STRAPPING		North Bay	
SWITCH POINT GR NDER		North Bay	
MISC. ENGINES, L FTING CHAINS, GEISMAN POWER PACK, PARTS FOR M7, ROCK DEFLECTORS	Lot	North Bay	
DAKE POWER PRESS		North Bay	
ALTERNATOR STARTERS, SPROCKETS, FANS, HYDRAULIC CONTROL VALVES & RELAYS, PUMPS, EXHAUST PARTS, ASSORTED M4 PARTS, ASSORTED CX SPIKER PARTS, GASKETS, HOSES, TRIPPPARTS, REGULATOR PARTS		North Bay	
SHOP LUBRICANTS, CONSUMABLES, METRIC BOAT B NS, STANDARD BOAT BINS		North Bay	
BLUE CAGE, TOOLS, HOSES, POWER PACK, MISC. SHOP TOOLS		North Bay	
JACK STANDS QTY 4, GEAVY DUTY CHAINS FOR CRANE, MISC. SHOP TOOLS		North Bay	
HEAVY DUTY TRUCK MAINTENACE PARTS, ASSORTED FUEL FILTERS & A R FILTERS, REFRIEND TRIPOD, BEAR SAW BLADES, FLORESCENT SPRAY PAINTY QTY. 25 CASES		North Bay	
902A LIEBHERR (SCRAP PARTS)	Equipment Defunct	North Bay	
PANDROL MODEL 100K	12840	North Bay	
BLACK TRA LER	SCRAP	North Bay	
FORD F-150	1FTEW1EFXGFC86079	Grimsby	
TRI-AXLE		North Bay	
Cable Plow Ditch Witch Q125		Atikokan	
420-07XE including CAT accessories	CAT00420KH9X00662		2021
D10X1583	1VRA130V6H1000511		2018
455B-53	1LH455WJ7K1B26256		2019
F750 4X2, Crew-Cab, Welding Trucking, W/HI-RAIL	3FRXW7FGXDV786030		2013
VHD64B200 6X4, Reg-Cab, Grapple Truck, W/HI-RAIL	4V5KC9DG9EN155944		2014
VHD64B200 6X4, Reg-Cab, Grapple Truck, W/HI-RAIL	4V5KC9DG5GN952999		2016



SCHEDULE "B"**RECEIVER'S ACCOUNT DETAILS****Bank of Montreal**

1 First Canadian Place
100 King Street West
Toronto, ON M5X 1A3

Bank Transit (ABA)#: **00022**
Bank Institution #: **001**
Bank Account #: **1617-640**
Bank Swift code: **BOFMCAM2**
Name of account: **KSV Restructuring Inc., Receiver of 2806401 Ontario Inc. o/a
Allied Track Services Inc.**



Appendix “B”

2806401 ONTARIO INC. o/a ALLIED TRACK SERVICES INC.**Personal Property Security Act (Ontario)**

C means Consumer Goods, **I** means Inventory, **E** means Equipment, **A** means Accounts, **O** means Other, **M** means Motor Vehicle Included
Other Comments intends to capture amendments, partial discharges, etc.]

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

Current to October 10, 2022

2806401 ONTARIO INC.

Secured Party	File Number	Registration Number	Collateral Classification						Collateral Description	Term (Years)	Debtor	Other Comments
			C	I	E	A	O	M				
1. Meridian Onecap Credit Corp. Suite 1500, 4710 Kingsway Burnaby, BC V5H 4M2	742992741	i) 20180823 1410 1901 5502			X			X	2019 Landoll 455B-53 1LH455WJ7K1B26256 Trailer(s), rail package(s), together with all attachments accessories accessions replacements substitutions additions and improvements thereto and all proceeds n 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	6	Allied Track Services Inc.	
		ii) 20210819 1131 1902 2127										
2. Valiant Financial Services Inc. Ste 426 – 505 8840 210 Street	764677674	i) 20200812 1614 1901 2506		X	X			X	2021 Freightliner 114SD 3ALHG3DV93DML1069 2020 Deck 20ft CM862030538	5	Allied Track Services Inc.	

Secured Party	File Number	Registration Number	Collateral Classification						Collateral Description	Term (Years)	Debtor	Other Comments
			C	I	E	A	O	M				
Langley, BC V1M 2Y2		ii) 20210726 1255 1902 5898							2020 Diversified 1630 47255 2020 Palfinger PK26002EH-D 100531930 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 2021 Freightliner 114SD 3ALHG3DV9MDML1069 All crane trucks and crane truck related equipment including but not limited to one (1) 2021 Freightliner 114SD VIN 3ALHG3DV9MDML1069, 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			Amendment to amend general collateral, amend asset [amendment to VIN for 2021 Freightliner]

Secured Party	File Number	Registration Number	Collateral Classification						Collateral Description	Term (Years)	Debtor	Other Comments
			C	I	E	A	O	M				
		iii) 20220926 1610 1793 9033							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		2806401 Ontario Inc.	Amendment to add an additional debtor
3. Valiant Financial Services Inc. Ste 426 – 505 8840 210 Street Langley, BC V1M 2Y2	767205504	i) 20201029 1410 1901 1388		X	X	X	X	X	2021 Freightliner 114SD 1FVHG3DV2LHMC2427 2020 DMF 1630 railgear 47581F-47582R 2020 Palfinger PK26002EH-D 100673585 2020 Deck 20ft Deck CM862030553 All crane trucks and crane truck related equipment including but not limited to one (1) 2021 Freighliner 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	5	Allied Track Services Inc.	

Secured Party	File Number	Registration Number	Collateral Classification						Collateral Description	Term (Years)	Debtor	Other Comments
			C	I	E	A	O	M				
		ii) 20220926 1616 1793 9036							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		2806401 Ontario Inc.	Amendment to add an additional debtor
4. Valiant Financial Services Inc. Ste 426 – 505 8840 210 Street Langley, BC V1M 2Y2	767209662	i) 20201029 1513 1901 1398		X	X	X	X	X	2021 Freighliner 114SD 1FVHG3DVXLHКУ6182 2020 DMF 1630 railgear 47583F-47584R 2020 Deck 20ft Deck D1214 2020 Palfinger PK26002EH-D 100673584 All crane trucks and crane truck related equipment including but not limited to one (1) 2021 Freighliner 114SD, VIN 1FVHG3DVXLHКУ6182, 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	5	Allied Track Services Inc.	

Secured Party	File Number	Registration Number	Collateral Classification						Collateral Description	Term (Years)	Debtor	Other Comments
			C	I	E	A	O	M				
		ii) 20220926 1622 1793 9039							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.		2806401 Ontario Inc.	Amendment to add an additional debtor
5. Bridging Finance Inc., as Agent 77 King Street West, Suite 2925 Toronto, ON M5K 1K7	771995124	i) 20210429 0824 1590 0387		X	X	X	X	X		5	2806401 Ontario Inc.	
6. Bank of Montreal / Banque de Montreal 250 Yonge Street, 9 th Floor Toronto, ON M5B 2L7	772614774	i) 20210518 1612 1532 4424		X	X	X	X	X	LF269 Pledge of instrument and assignment of proceeds. Collateral described as short term investment 0002-9560-028 in the principal amount of \$54,500.00.	5	2806401 Ontario Inc.	
7. Caterpillar Financial Services Limited 3457 Superior Court, Unit 2 Oakville, ON L6L 0C4	772738938	i) 20210521 1728 1901 4215			X			X	2021 Caterpillar 420-07XE CAT00420KH9X00662 One (1) Caterpillar 420-07XE backhoe loader c/w general purpose bucket together with all attachments, accessories, accessions, replacements substitutions, additions and improvements to the abovementioned collateral and all proceeds in any form derived directly or indirectly from any dealing with such collateral and a right to an insurance payment	6	2806401 Ontario Inc.	

Secured Party	File Number	Registration Number	Collateral Classification						Collateral Description	Term (Years)	Debtor	Other Comments
			C	I	E	A	O	M				
									or any payment that indemnifies or compensates for loss or damage to such collateral or proceeds of such collateral. Proceeds means goods, securities, documents of title, chattel paper, instruments, money and intangibles.			
8. Vault Credit Corporation 41 Scarsdale Road Unit 5 Toronto, ON M3B 2R2	778925898	i) 20211209 1702 1462 7589			X		X	X	2018 Vermeer D10X15S3 1VRA130V6H1000511	6	2806401 Ontario Inc.	<i>Amendment to add debtor name and address</i>
		ii) 20211210 1703 1462 8115										
		iii) 20211213 1006 1462 8251										

Personal Property Security Act (Alberta)

Collateral Description intends to be an abridgement; see search printout for full collateral description (including serial numbers and itemized collateral)

Other Comments intends to capture amendments, partial discharges, etc.

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

Date of Search: October 19, 2022

2806401 ONTARIO INC.

Secured Party	Registration Number	Date Filed	Expiry Date	Collateral Description	Debtor(s)	Other Comments
1. Valiant Financial Services Inc. Ste 426 – 505 8840 210 Street Langley, BC V1M 2Y2 Email: absecparties@avssystem.ca	i) 20081222505 Security Agreement	2020-Aug-12	2025-Aug-12	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	Allied Track Services Inc.	
	ii) 21072615040 Amendment	2021-Jul-26		All crane trucks and crane truck related equipment including but not limited to one (1) 2021 Freightliner 114SD VIN 3ALHG3DV9MDML1069, one		<i>Amendment to general collateral description [amendment to VIN for 2021 Freightliner]</i>

Secured Party	Registration Number	Date Filed	Expiry Date	Collateral Description	Debtor(s)	Other Comments
	iii) 22092626854 Amendment	2022-Sep-26		(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 <i>[See search results for list of motor vehicles]</i>	2806401 Ontario Inc.	<i>Amendment</i> to add debtor name
2. Valiant Financial Services Inc. Ste 426 – 505 8840 210 Street Langley, BC V1M 2Y2 Email: absecparties@avssystems.ca	i) 20102920406 Security Agreement	2020-Oct-29	2025-Oct-29	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	Allied Track Services Inc.	

Secured Party	Registration Number	Date Filed	Expiry Date	Collateral Description	Debtor(s)	Other Comments
	ii) 22092626709 Amendment	2022-Sep-26		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 <i>[See search results for list of motor vehicles]</i>	2806401 Ontario Inc.	<i>Amendment</i> to add debtor name
3. Valiant Financial Services Inc. Ste 426 – 505 8840 210 Street Langley, BC V1M 2Y2 Email: absecparties@avssystems.ca	i) 20102924384 Security Agreement	2020-Oct-29	2025-Oct-29	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 o the collateral <i>[See search results for list of motor vehicles]</i>	Allied Track Services Inc.	
	ii) 22092626732 Amendment	2022-Sep-26			2806401 Ontario Inc.	<i>Amendment</i> to add debtor name

Personal Property Security Act (British Columbia)

Collateral Description intends to be an abridgement; see search printout for full collateral description (including serial numbers and itemized collateral)

Other Comments intends to capture amendments, partial discharges, etc.

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

Date of Search: October 19, 2022

2806401 ONTARIO INC.

Secured Party	Registration Number	Date Filed	Expiry Date	Collateral Description	Debtor(s)	Other Comments
1. Valiant Financial Services Inc. Ste 426 – 505 8840 210 Street Langley, BC V1M 2Y2	i) 398595M PPSA Security Agreement	August 12, 2020 5 years	August 12, 2025	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 <i>[See search results for list of motor vehicles]</i>	Allied Track Services Inc.	
	ii) 134198N Amendment	July 26, 2021		All crane trucks and crane truck related equipment		<i>Amendment to amend general</i>

Secured Party	Registration Number	Date Filed	Expiry Date	Collateral Description	Debtor(s)	Other Comments
	iii) 105691P Amendment	September 26, 2022		including but not limited to one (1) 2021 Freightliner 114SD VIN 3ALHG3DV9MDML1069, 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 <i>[See search results for list of motor vehicles]</i>	2806401 Ontario Inc.	collateral [amendment to VIN for 2021 Freightliner] <i>Amendment to add debtor information</i>
2. Valiant Financial Services Inc. Ste 426 – 505 8840 210 Street Langley, BC V1M 2Y2	i) 561537M PPSA Security Agreement	October 29, 2020 5 years	October 29, 2025	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	Allied Track Services Inc.	

Secured Party	Registration Number	Date Filed	Expiry Date	Collateral Description	Debtor(s)	Other Comments
	ii) 105692P Amendment	September 26, 2022		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 <i>[See search results for list of motor vehicles]</i>	2806401 Ontario Inc.	<i>Amendment</i> to add debtor information
3. Valiant Financial Services Inc. Ste 426 – 505 8840 210 Street Langley, BC V1M 2Y2	i) 561961M PPSA Security Agreement	October 29, 2020 5 years	October 29, 2025	All crane trucks and crane truck related equipment including but not limited to one (1) 2021 Freightliner 114SD, VIN 1FVHG3DVXLHКУ6182, 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 <i>[See search results for list of motor vehicles]</i>	Allied Track Services Inc.	

Secured Party	Registration Number	Date Filed	Expiry Date	Collateral Description	Debtor(s)	Other Comments
	ii) 105696P Amendment	September 26, 2022			2806401 Ontario Inc.	<i>Amendment</i> to add debtor information
4. Wheaton Chevrolet Buick Cadillac GMC Inc. 2867 Douglas Street Victoria, BC V8T 4M7	i) 076304N PPSA Security Agreement	June 29, 2021 3 years	June 29, 2024	2021 GMC / Sierra 1500 Denali 4W 1GTU9FED2MZ312862	2806401 Ontario Inc.	
5. Vault Credit Corporation 41 Scarsdale Road Unit 5 Toronto, ON M3B 2R2	i) 421567N PPSA Security Agreement	December 10, 2021 6 years	December 10, 2027	2018 Vermeer D10X15S3 / - 1VRA130V6H1000511 One 2018 Vermeer D10X15S3 Navigator Drill s/n 1VRA130V6H1000511, together with all goods of every nature or kind, financed by the secured party to the debtor and as amended from time to time, together with any and all past, present and future acquired parts, attachments, accessories, accessions, additions, substitutions, improvements, repair and replacement parts and other equipment placed on or forming part of the goods described herein and any and all proceeds in any form derived directly or indirectly from any sale and or dealings 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, including all goods, securities, instruments documents of title, chattel paper, intangibles	2806401 Ontario Inc.	

Secured Party	Registration Number	Date Filed	Expiry Date	Collateral Description	Debtor(s)	Other Comments
	ii) 421664N Amendment	December 10, 2021		(as defined in the Personal Property Security Act), rights of insurance payments or any other payment as indemnity or ,compensation for loss or damage to the collateral or proceeds of the collateral.	Allied Track Services Corp.	<i>Amendment</i> to add debtor information

Personal Property Security Act (Manitoba)

Collateral Description intends to be an abridgement; see search printout for full collateral description (including serial numbers and itemized collateral)

Other Comments intends to capture amendments, partial discharges, etc.

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

Date of Search: October 6, 2022

2806401 ONTARIO INC. – clear, no matches found

Secured Party	Registration Number	Date Filed	Expiry Date	Collateral Description	Debtor(s)	Other Comments
1. N/A	i)					

Appendix “C”

DANELLA RENTAL SYSTEMS, INC.
EQUIPMENT RENTAL AGREEMENT

THIS EQUIPMENT RENTAL AGREEMENT ("Agreement"), is made as of April 1, 2020, between **DANELLA RENTAL SYSTEMS, INC.** ("Lessor") and **ALLIED TRACK SERVICES INC.**, an Ontario corporation, with its principle place of business at 169A S SERVICE RD, GRIMSBY ON L3M 4H6, CANADA ("Lessee").

1. **LEASE AGREEMENT.** This Agreement establishes the terms and conditions on which Lessee leases from Lessor, and which Lessor rents to Lessee, certain vehicles, construction-type vehicles, and equipment as described in the box below or described on Schedule B attached hereto, or both (collectively, the "Equipment"), for the rental rate or rates as set forth in the box below or described on Schedule B, or both (collectively, the "Rental Payments");

Manufacturer	Model and Year	Vehicle Type/Description of Equipment	Rental Rate
See <u>Schedule B</u> attached hereto			

2. **PAYMENT OF RENTAL.** The Rental Payments shall be payable as follows: monthly, with the initial payment due upon delivery of the Equipment, and on the first day of each month thereafter; or within ten (10) days following receipt of Lessor's invoice therefor. Such Rental Payments shall be due and payable until the Equipment is returned to Lessor in accordance with the terms hereof. Any Rental Payments that are more than thirty (30) days past due, will accrue interest at the rate of one and one-half percent (1½%) per month.

3. **PICK-UP AND RETURN OF EQUIPMENT.** Lessee shall accept possession of the Equipment by executing a Vehicle Acceptance Certificate, in the form attached hereto as Schedule A. The Equipment shall either be picked-up by Lessee at Lessor's equipment storage yard or delivered by Lessor to an address specified by Lessee, as provided on the Vehicle Acceptance Certificate. Upon the return of the Equipment to Lessor, Lessee shall again execute a Vehicle Acceptance Certificate, in the form attached hereto as Schedule A. The Equipment shall either be picked-up by Lessor at an address specified by Lessee, or delivered by Lessee to Lessor's equipment storage yard, as provided on the Vehicle Acceptance Certificate. Lessee shall return all Equipment to the Lessor in the same good and clean condition and working order as it was originally delivered to Lessee, excepting only ordinary wear and tear. Lessee shall pay Lessor a reasonable cleaning charge for Equipment returned in excessively dirty condition.

4. **USE AND CARE OF EQUIPMENT.** Lessee shall use and operate the Equipment (i) within its rated capacities, (ii) in compliance with all laws, regulations, and requirements applicable to the registration, leasing, insurance, use and operation of the Equipment, and (iii) only for lawful purposes and only within the continental limits of the United States and Canada. In no event shall Lessee use or permit any Equipment to be used for the transportation for hire of goods or passengers. Lessee shall keep the Equipment free from all liens and encumbrances. Lessee shall only permit qualified and trained personnel, licensed where required by law, to use the Equipment. Lessee shall not use the Equipment for the storage, transportation or delivery of any asbestos, lead, polychlorinated biphenyls, or any other toxic or hazardous substances, which have not been rendered harmless. Lessee shall not make any alterations or modifications to the Equipment. Lessee shall perform all routine preventative maintenance on the Equipment, including checking and replacing, as necessary, fuel, oil, coolants, and battery water, lubrications, filters, belts, hoses, and tires, all in accordance with manufacturer's recommendations. Lessee shall repair all damage due to vandalism, misuse or negligence. All such maintenance and repairs shall be performed by qualified personnel, as will not void or affect any manufacturer's warranty. Lessor does not represent or warrant the fitness or suitability of the Equipment for any particular use or purpose.

5. **LOSS OR DAMAGE TO EQUIPMENT.** Lessee shall bear all risk of loss or damage to the Equipment until such time as the Equipment is returned to Lessor in accordance with the terms hereof. Lessee shall notify Lessor of any damage or loss of the Equipment within 48 hours of the occurrence of such damage or loss. In the event of any loss or damage to the Equipment, Lessee shall (a) continue to pay the Rental during the repair period, and (b) repair and restore the Equipment to the same good condition and working order as it was when the Equipment was first picked-up by or delivered to Lessee, or (c) pay Lessor a sum equal to the cost to repair the Equipment in accordance with clause (b) above, or the replacement cost thereof with equipment of similar age and pre-damaged condition. Lessee agrees to pay and reimburse the Lessor for any revenue loss because of damage or destruction of the Equipment. Any and all replacements, repairs, or substitutions of parts or equipment on the Equipment shall be at Lessee's expense and shall constitute accession to the Equipment, and title thereto shall vest and remain in Lessor.

6. **INSURANCE.** Until the Equipment is returned to Lessor in accordance with the terms hereof, Lessee shall purchase and maintain the following insurance:

A. **Worker's Compensation Insurance:** with the following limits: Coverage A shall have at least the minimum statutory limits; and Coverage B (Employer's Liability) shall have limits of not less than \$500,000 per occurrence; Disease: \$500,000 each employee; \$500,000 Policy Limit. If requested by Lessor, Lessee shall also carry and maintain United States Longshoremen's & Harborworker's Coverage and/or Federal Employee's Liability Act Coverage with such limits as may required by law or as may otherwise be requested by Lessor.

B. **Commercial General Liability Insurance:** with the following limits: Bodily Injury & Property Damage (including Products & Completed Operations) with a Combined Single Limit of \$1,000,000 Per Occurrence and with a \$2,000,000 General Aggregate Limit. Coverage shall apply to underground property damage, explosion and collapse; personal injury, including contractual assumptions of personal injury, as well as bodily injury and property damage; and shall include Contractual Liability Coverage sufficient to cover the Lessee's indemnification agreements hereunder, and Pollution Coverage with a limit of \$1,000,000 Per Occurrence; and a General Aggregate Limit of \$5,000,000.

C. **Automobile Insurance:** with the following limits: Bodily Injury & Property Damage with a Combined Single Limit of \$2,000,000 Per Occurrence. Coverage shall apply to all owned, hired and non-owned vehicles; and shall include Contractual Liability Coverage sufficient to cover Lessee's indemnification agreements hereunder.

D. **Umbrella Insurance:** with the following limits: Bodily Injury & Property Damage (including Products & Completed Operations) with a Combined Single Limit of \$4,000,000 Per Occurrence; and a \$4,000,000 General Aggregate Limit. The policy shall be written on an Umbrella form (strict follow form excess policies are not acceptable). Coverage shall be as broad as the primary Employer's Liability, Commercial General Liability and Automobile Insurance; and the policy shall not contain any impaired aggregate limits, so that all underlying policies with aggregate limits will have inception and expiration dates that are concurrent with the Umbrella policy.

E. **Inland Marine Insurance:** All Risk Coverage (Physical Damage Insurance), with any overload or boom exclusion deleted, for the full replacement value of the Equipment.

F. **Motor Truck Cargo Insurance:** At Lessee's election, Lessee may obtain and maintain insurance coverage on any cargo or personalty being carried or hauled by Lessee in any of the Equipment. Lessor shall have no responsibility for such insurance and no responsibility or liability for any loss or damage to any such cargo or personalty.

All liability insurance herein, except workers' compensation, shall name Lessor and Danella Companies, Inc. as additional insureds (utilizing, with respect to Commercial General Liability Insurance, form CG 20 28 07 04 – Lessor of Leased Equipment, and with respect to Automobile Liability Insurance, form CA 20 01 10 01, or in either case utilizing an equivalent form satisfactory to and approved by Lessor), on a primary and non-contributory basis. Lessor shall be named on the Inland Marine Insurance as the Loss Payee as its interest may appear. All insurance required to be maintained by Lessee hereunder shall (a) be provided by insurance carriers authorized to do business in the state where the Equipment is located, and rated by A.M. Best's Rating Service as "A," and a class size of "VII" or better; (b) be written to insure losses on an "occurrence basis;" (c) be primary and non-contributory with respect to any insurance carried by Lessor; (d) require thirty (30) days prior written notice to Lessor care of Danella Companies, Inc., 2290 Butler Pike, Plymouth Meeting, PA 19462, Attention: Risk Manager, prior to any termination or material change in the insurance provided thereunder, and (e) be endorsed to include a waiver of any and all of each insurers' rights of subrogation or rights of recovery against Lessor,

and any of Lessor's affiliates, officers, employees, and agents. Lessee shall be solely responsible for all deductibles on the insurance carried and maintained by Lessee, regardless of liability. Lessee shall furnish Lessor with certificates of insurance evidencing such coverage prior to the pick-up or delivery of the Equipment. A certificate that contains wording that in any way reduces or lessens the insurer's obligations or that does not fulfill any of the requirements hereof shall not be acceptable, and will be returned for resubmission by Subcontractor's insurer. Subcontractor shall be liable for any and all costs and damages incurred by Contractor or Customer as a result of Subcontractor's failure or neglect to maintain the minimum insurance limits as required hereunder. Lessee shall attach to each certificate of insurance an original additional insured endorsement to the insurance policy.

7. INDEMNITY. To the fullest extent permitted by law, Lessee shall indemnify, defend, and hold harmless Lessor, and Lessor's officers, directors, employees, and agents, and each of their respective heirs, successors, and assigns (collectively, the "Indemnified Parties"), from and against any and all claims, demands, complaints, suits, causes of action, damages, liabilities, losses, costs, fines, liens, including mechanics' liens, penalties, and expenses, including, without limitation, attorneys' fees and expenses (individually, a "Claim" and collectively, "Claims"), whether such Claims are attributable to bodily injury, sickness, disease or death, or to loss or damage to or destruction of tangible property including loss of use or economic loss resulting therefrom, arising out of or resulting from (a) the acts or omissions of Lessee, or any employees or agents of Lessee, or anyone else for whom Lessee is responsible (collectively, the "Lessee Parties"); (b) the possession, maintenance, use, operation, modification, return or surrender of the Equipment by Lessee or any Lessee Parties; (c) a violation of any applicable laws and legal requirements by Lessee or any Lessee Parties, including the failure to make, or improperly or incorrectly make, the certification required by the Federal Odometer Act upon the transfer of the Equipment; or (d) any breach or default by Lessee of Lessee's duties and obligations under this Agreement. Lessee's obligation to indemnify, defend, and hold harmless the Indemnified Parties shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to the Indemnified Parties, and such obligation is in addition to and not in lieu of common law indemnification to which any Indemnified Parties are entitled. Lessee's obligation to indemnify, defend, and hold harmless the Indemnified Parties shall apply and pertain regardless of whether or not a Claim is caused or alleged to be caused in part by one or more of the Indemnified Parties. Lessee's obligation to indemnify, defend, and hold harmless the Indemnified Parties shall not apply or pertain to claims or damages resulting from the sole negligence or intentional misconduct of the Indemnified Parties. Lessee shall defend each of the Indemnified Parties through counsel approved by such Indemnified Parties in any action, proceeding, or arbitration brought against the Indemnified Parties by reason of any Claims. Lessee's obligation to defend the Indemnified Parties shall not extend to any action, proceeding, or arbitration that asserts or alleges that the Claim resulted solely from the negligence or intentional misconduct of the Indemnified Parties, and from no other cause or if a final judgment is obtained establishing that injury to the claimant resulted solely from the negligence or intentional misconduct of the Indemnified Parties, in which latter event Lessee's obligation to defend the Indemnified Parties shall cease upon the date such judgment becomes final, and the Indemnified Parties shall thereupon reimburse Lessee for its reasonable attorneys' fees and court costs in so defending the Indemnified Parties. The duty to defend the Indemnified Parties under this Paragraph is independent and separate from the duty to indemnify, and the duty to defend exists regardless of any ultimate liability of Lessor or any other Indemnified Party. The duty to defend arises immediately upon presentation of a Claim by any Indemnified Party and written notice of such Claim being provided to Lessee. Lessee's obligation to indemnify, defend and hold the Indemnified Parties harmless under this Article shall survive the expiration or earlier termination of this Agreement and shall apply and pertain until it is determined by final judgment that an action against all of the Indemnified Parties for any Claim is fully and finally barred by the applicable statute of limitations. In the event and to the extent that a Claim is made by an employee of any of the Lessee against any of the Indemnified Parties, the intent of this Article is that Lessee shall and hereby agrees to indemnify, defend, and hold harmless the Indemnified Parties to the same extent as if the Claim was made by a non-employee of the Lessee, and in connection with any request by any Indemnified Parties for indemnification hereunder, Lessee hereby expressly waives any defense or immunity it may have under any applicable Worker's Compensation Laws or any other statute or judicial decision disallowing or limiting such indemnification and consents to a cause of action for indemnity. Such waiver and consent to indemnification is made irrespective of and specifically waiving any defense or immunity under any statute or judicial decision disallowing or limiting such indemnification.

8. EXPENSES, FEES AND TAXES. In addition to the Rental Payments, Lessee shall pay, promptly when due, all costs, expenses, fees, charges and taxes incurred in connection with the titling, licensing and registration of the Equipment, and in connection with the use and operation thereof. Such costs and expenses include, without limitation, fuel, oil, grease, repairs, maintenance, tires, tubes, storage, parking, tolls, fines, towing and servicing. Such taxes for which Lessee is liable hereunder means all taxes, regardless of whether such taxes are imposed upon Lessee or Lessor, and expressly including, without limitation, fuel taxes and mileage taxes. Such taxes, shall not include, however, federal, state and local taxes imposed upon Lessor based on gross or net income of Lessor or taxes in lieu thereof, withholding taxes, franchise taxes, gross receipts taxes, single business taxes, and capital and net worth taxes. If Lessee should fail to pay any of the costs, expenses, fees, charges and taxes for which Lessee is liable hereunder, Lessor may, but shall not be required to, pay the same for the account of Lessee. Lessee shall reimburse Lessor, upon demand, as so much additional rental hereunder, for the full amount of any costs, expenses, fees, taxes or other charges paid by Lessor that constitute an obligation of Lessee hereunder. By no later than the tenth (10th) day of each calendar month, Lessee shall deliver to Lessor (a) a monthly mileage report (using the form supplied by Lessor) and shall specify therein by line item the mileage in each state (or Canadian province) in which the Equipment was used for the preceding month, and (b) copies of all receipts for all fuel purchased by Lessee during the preceding calendar month. Lessee shall pay Lessor as additional rental hereunder the sum of ten cents (\$0.10) per mile for each mile that is not properly accounted for on Lessee's monthly mileage reports. Lessee shall indemnify and hold Lessor harmless from, and shall pay upon demand by Lessor, any fines, penalties, or interest imposed by the taxing authorities resulting from Lessee's failure to provide the monthly reports and fuel receipts to Lessor, or Lessee's failure or delay in paying any taxes.

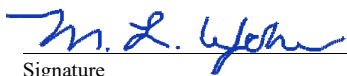
9. DEFAULT. If: (a) Lessee should default in the payment of any Rental Payments when due, or any other sums payable by the Lessee hereunder; or (b) if Lessee should breach or default in the performance of any other of the terms and conditions hereof and such default or breach should continue for more than ten (10) days after written notice thereof to Lessee; or (c) if a petition under any Chapter of the Bankruptcy Act, as amended, or for the appointment of a receiver of any part of the property of Lessee, or any other proceedings for the relief of debtors, be filed by or against Lessee; or (d) if Lessee should make a general assignment for the benefit of creditors, should suspend business or commit any act amounting to a business failure, or if an attachment be levied or tax lien be filed against any of Lessee's property; or (e) if Lessee should make any voluntary assignment or transfer of Lessee's interest as Lessee hereunder (in any manner or to a person not permitted by the terms hereof) or of all or substantially all of its property, then, in any of such events (each of which events shall constitute a default under this Agreement), Lessor at its option, may, by notice in writing to Lessee, declare this Agreement in default. In the event of any such default, Lessor shall be entitled to take possession of all Equipment then subject to this Agreement, and Lessor may, by its agents, take possession of the Equipment wherever the same may be found, and for the purpose may enter upon any premises of Lessee. Lessee hereby expressly waives any and all rights it may have to judicial process with respect to such repossession. Lessor shall hold the Equipment so repossessed free and clear of this Agreement and of any of the rights of Lessee hereunder. In addition, Lessor shall retain all Rental Payments and additional sums paid by Lessee hereunder, and Lessor shall be entitled to recover from Lessee for the breach of this Agreement, all unpaid Rental Payments until the Equipment is returned to Lessor in accordance with the terms hereof, together with all Rental Payments and other sums payable by Lessee pursuant to any of the provisions of this Agreement then owing, and all costs and expenses, including reasonable attorney's fees, incurred by Lessor in the enforcement of this Agreement. Time is of the essence for the performance of all of Lessee's obligations hereunder.

10. MISCELLANEOUS. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of each of the parties hereto, provided however, that neither this Agreement nor any interest herein shall be assigned, subleased, or pledged by Lessee, and Lessee shall not permit the Equipment to be used or operated by any person or entity not under the direction and control of Lessee, without in each case first obtaining the written consent of the Lessor. This Agreement is a true lease and not a lease for financing purposes, and Lessee does not acquire hereby any right, title or interest in or to the Equipment except the right to use it under the terms hereof. All Equipment leased hereunder shall be titled and registered in the name of the Lessor. Lessee shall not at any time or for any purpose whatsoever be or become the agent of Lessor, and Lessor shall not be responsible for the acts or omissions of Lessee, or its agents. Lessor's failure to enforce strictly the provisions of this Agreement shall not be construed as a waiver thereof or as excusing Lessee from performance. The invalidity of any portion of this Agreement shall not affect the force and effect of the remaining valid portions hereof. All notices shall be binding upon the parties hereto when personally delivered or sent by certified U.S. mail to

the address mentioned herein (unless a subsequent address has been furnished in writing). This Agreement constitutes the entire agreement between the parties hereto, and supersedes any prior agreement, whether or not in writing. Any change or modification to this Agreement must be in writing and signed by the parties hereto. This Agreement shall be governed by and interpreted in accordance with the laws in effect in the Commonwealth of Pennsylvania. The parties hereby agree that the Court of Common Pleas in Montgomery County Pennsylvania shall have exclusive jurisdiction over any disputes arising out of or with respect to this Agreement or the parties' rights and obligations hereunder.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first set forth above.

LESSOR: DANELLA RENTAL SYSTEMS, INC.



Signature

07/16/2020

Date

Matthew L. Wyche

Name Printed

Rental Agent

Title

LESSEE: ALLIED TRACK SERVICES INC.



Signature

07/16/2020

Date

Darren Howes

Name Printed

GM Equipment

Title

SCHEDULE A

Form of Vehicle Acceptance Certificate
 (This Form is subject to change, and may vary from store to store)



Page: 1

14101 EAST MONCRIEFF PLACE
 AURORA, CO 80011
 303-371-7799

Rental Information:		Status:
Unit		<input type="checkbox"/> ON LEASE
On/Off		<input type="checkbox"/> OFF LEASE
Expires		<input type="checkbox"/> EXTENSION
PU/Del \$		<input type="checkbox"/> TRANSFER
Rate \$		<input type="checkbox"/> SOLD

Lessee / Bill To:	
Company	
Name	
Attn	
Address	
City, St	
Phone	
Cell	
Email	
Ordered	
Written	

VEHICLE ACCEPTANCE CERT

Order Information:	
FTN / PO	
Spec Req	
Term /Mo	
Bdgt/ORC	
Departmt	
Division	
Cost Ctr	

Ship From / Ship To:		Equipment Description:	
PU From		Unit	
Name		Spec	
Address		VIN	
City, St		Year	
Phone		Make	
Cell		Model	
		Desc	
		Desc	
Del To		GVWR	
Name		Fuel Cap	
Address		Plate/St	
City, St		Expires	
Phone		Options	
Cell		& Notes	
Driver			
PU / Mi			
Del/ Mi			

2290 BUTLER PIKE, PLYMOUTH MEETING, PA 19462 610-828-6200 14101 EAST MONCRIEFF PLACE, AURORA, CO 80011 303-371-7799

DANELLA RENTAL SYSTEMS, INC. cooperates with all Federal, State, and local law enforcement officials nationwide to provide the identity of customers who operate this rental vehicle/equipment. This certificate is subject to (and incorporates by reference all terms and conditions of) the equipment rental agreement between DANELLA RENTAL SYSTEMS, INC. and the lessee named above, and does not modify, amend, or otherwise change any of the terms and conditions of such agreement.

X _____
 CUSTOMER SIGNATURE DATE NAME PRINTED

BLUE - PA OFFICE COPY YELLOW - FILE COPY PINK - A/R COPY ORANGE - CUST COPY

SCHEDULE B

List Equipment, Term and Rates

- 1. **UNIT: J1055D**
DESCRIPTION: 2013, FORD, F750, 4X2, CREW-CAB, WELDING TRUCK, W/HI-RAIL
VIN: 3FRXW7FGXDV786030,
LEASE PURCHASE RATE: \$2,810 USD PER MONTH + TAX, 36 MONTHS

- 2. **UNIT: N4200D**
DESCRIPTION: 2014, VOLVO, VHD64B200, 6X4, REG-CAB, GRAPPLE TRUCK, W/HI-RAIL
VIN: 4V5KC9DG9EN155944,
LEASE PURCHASE RATE: \$4,030 USD PER MONTH + TAX, 36 MONTHS

- 3. **UNIT: N4212D**
DESCRIPTION: 2016, VOLVO, VHD64B200, 6X4, REG-CAB, GRAPPLE TRUCK, W/HI-RAIL
VIN: 4V5KC9DG5GN952999,
LEASE PURCHASE RATE: \$5,100 USD PER MONTH + TAX, 36 MONTHS

ADDITIONAL TERMS AND CONDITIONS (LEASE-PURCHASE)

- 1. **LEASE TERM.** This lease purchase agreement shall be for the terms listed above, commencing on April 1, 2020, and shall terminate on the date such Equipment is paid in full, or returned to Danella. At the end of each lease term, Lessor shall transfer ownership to Lessee, for \$1.00 per item, if all lease payments are paid in full.

- 2. **LEASE PAYMENTS.** Lessee shall pay Lessor the rates listed above for the duration of each lease. Under this lease agreement, lease payments shall be due to Lessor from Lessee. Lessee shall make the first payment upon receipt of the first LPO invoice of the Equipment (expected to take place on 04-01-2020) and continue making lease payments every month, due as indicated on Lessee's monthly invoices.

- 2. **EARLY TERMINATION.** If any lease is ended early, Lessee shall be responsible to pay the full value of all payments, less any payments already made to Lessor.


Initial: _____
 DANELLA


Initial: _____
 LESSEE

Appendix “D”



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

Chris Burr

Partner

Dir: 416-863-3261

chris.burr@blakes.com

October 12, 2022

VIA EMAIL

Reference: 00025198/000004

Danella Rental Systems Inc.
 14101 East Moncrieff Place
 Aurora, CO 80011

Dear Sir or Madam,

Re: Equipment Leased by 2806401 Ontario Inc. o/a Allied Track Services ("**Allied**")

We are counsel to KSV Restructuring Inc. ("**KSV**"), in its capacity as receiver of Allied (the "**Receiver**"). The Receiver was appointed on September 23, 2022 by order of Mr. Justice Osborne of the Ontario Superior Court (the "**Appointment Order**"). A copy of the Appointment Order is attached for your reference, and capitalized terms used but not otherwise defined in this letter shall have the meanings given to them in the Appointment Order.

We have been provided by Allied with the equipment rental agreement dated April 1, 2020 (the "**Lease**") between Danella Rental Systems, Inc. ("**Danella**") and Allied Track Service Inc. ("**Old Allied**") pursuant to which Old Allied leased from Danella (i) one 2013 Ford F-750 Crew Cab bearing VIN 3FRXW7FGXDV786030 and referred to as "Unit J1055D", (ii) one 2014 Volvo VHD64B200 6x4 grapple truck bearing VIN 4V5KC9DG9EN155944 and referred to as "Unit N4200D", and (iii) one 2016 Volvo VHD64B200 6x4 grapple truck bearing VIN 4V5KC9DG5GN952999 and referred to as "Unit N4212D" (collectively, the "**Leased Equipment**").

We have also reviewed:

- (a) the amended and restated asset purchase agreement dated April 1, 2021 between Old Allied and New Allied (the "**Sale Agreement**"), attached;
- (b) the approval and vesting order of Madam Justice Dietrich dated April 7, 2021, which approved the Sale Agreement (the "**Approval Order**"), attached; and
- (c) Ontario, Alberta and British Columbia results of searches conducted against Allied in the applicable personal property security registries, dated August 22, 2022 (the "**PPSA Search Results**").

24561113.1



We understand that a predecessor agreement of the Lease (dated June 12, 2019, which dealt with Unit N4200D and Unit N4212D) was explicitly assigned by Old Allied to Allied pursuant to the terms of the Sale Agreement, as approved by, and scheduled in, the Approval Order, on the closing of the transaction contemplated by the Sale Agreement on April 30, 2021. The Lease was also assigned to Allied pursuant to the terms of the Sale Agreement and the Approval Order, although not specifically listed.

Personal Property Security Act Analysis

The Lease appears to have an initial term of 36 months, and is accordingly a “lease for a term of more than one year”, within the meaning of the *Personal Property Security Act* (Ontario) (the “PPSA”). The PPSA provides at section 2(c) that it applies to “a lease of goods under a lease for a term of more than one year even though the lease may not secure payment or performance of an obligation.” Accordingly, the PPSA applies to the Lease and the Leased Equipment.

The PPSA further provides at section 1(1) that a “security interest” includes “the interest of a lessor of goods under a lease for a term of more than one year.” Accordingly, Danella’s interests in the Leased Equipment is a security interest under the PPSA.

Section 20(1)(a)(i) of the PPSA provides that “until perfected, a security interest in collateral is subordinate to the interest of a person who has a perfected security interest in the same collateral”.

Based on our review of the PPSA Search Results, Danella has not registered a financing statement against Allied under the personal property security registries in Ontario, Alberta or British Columbia, and therefore Danella’s security interest in the Leased Equipment is not perfected.

Also based on our review of the PPSA Search Results and other relevant documents, Bridging Finance Inc. (“**Bridging**”) has been granted a security interest in all of Allied’s equipment, and registered that security interest in Ontario. This security interest and registration appears to include the Leased Equipment.

Finally, based on our review of PPSA search results against Old Allied dated December 21, 2020, it does not appear that Danella was registered against Old Allied in respect of the Lease prior to its assignment.

Accordingly, it appears to the Receiver that Danella’s security interest in the Leased Equipment is subordinate to the security interest of Bridging, and any other secured creditors of Allied with valid and enforceable security.

Treatment of Danella Leased Equipment Going Forward

The Receiver is in the process of taking steps to secure all of Allied’s equipment (including the Leased Equipment), and either use that equipment in the course of Allied’s business, or store that equipment until it can be sold or otherwise disposed of.



No Leased Equipment will be sold by the Receiver without Danella's consent, or an order from the Court approving a sale, which order would be obtained on notice to Danella.

In that regard, the Receiver expects to bring a motion in the Ontario Superior Court on or about October 28, 2022, where it will seek the Court's authorization and approval to sell Allied's assets pursuant to an auction, or series of auctions, conducted by a liquidator retained by the Receiver. The auction or auctions are expected to take place in early November, subject to the Receiver obtaining Court approval.

Based on the Receiver's analysis of Danella's subordinated interest in the Leased Equipment, **the Receiver will be seeking the Court's approval to sell the Leased Equipment as part of the November auctions.** Moreover, based on the Receiver's current analysis, **the proceeds of sale of the Leased Equipment would not be payable to Danella.**

Danella will be served with the Receiver's motion record in the ordinary course, and you have been included in the service list for these proceedings. If Danella has counsel in this matter, kindly provide their name and contact information and we would be pleased to communicate directly with them. If Danella has not retained Canadian counsel on this matter, we would encourage you to do so, as Danella's rights will be affected by the sale of the Leased Equipment and distribution of proceeds of sale discussed above.

Stay of Proceedings

The Appointment Order includes a comprehensive stay of proceedings, which prohibits any party from commencing or continuing any Proceeding against Allied or the Property, or exercising any remedies against Allied or the Property, without the written consent of the Receiver or order of the Court. In the Receiver's view, this stay of proceedings extends to the Leased Equipment.

Accordingly, we trust that Danella will not take any enforcement or repossession steps with respect to the Leased Equipment without the Receiver's consent or order of the Court, which steps would be in breach of the Appointment Order.

* * * * *

The Receiver is a Court officer, with a mandate to facilitate the liquidation of Allied's Property in a fair and transparent manner, with regard to the interests of all stakeholders (including Danella) and with a view to maximizing recoveries for Allied's creditors. The Receiver would accordingly be happy to discuss the conclusions in this letter with you or your counsel, at your convenience.

If Danella disagrees with the legal conclusions drawn above, we would be pleased to consider the basis for such disagreement. Until this matter has been resolved, either by consent of the parties or pursuant to a Court order, the Receiver intends to retain possession of the Leased Equipment in order to maintain the status quo, which in the Receiver's view is in the best interest of all of Allied's creditors.

24561113.1

Blakes

Regards,



Chris Burr

Cc: Receiver

24561113.1

TORONTO

CALGARY

VANCOUVER

MONTRÉAL

OTTAWA

NEW YORK

LONDON

Blake, Cassels & Graydon LLP | blakes.com

Appendix “E”

2806401 Ontario Inc. o/a Allied Track Services

Summary of Setay Motors Leases

	Date of Lease (d/m/y)	Lease Term	Collateral	VIN	Party Registered against VIN	Date of Reg. on VIN
1	11/3/20	26 Mo	2016 Chevrolet Silverado	1GC1KUEG2GF106369	Clear	N/A (Original registration 18/3/20 appears to have been discharged)
2	25/4/19	48 Mo	2019 Chevrolet Silverado	1GCUYBEFXKZ284481	Setay Motors Inc.	1/5/19
3	24/4/19	48 Mo	2019 Chevrolet Silverado	1GCUYEED2KZ289741	Setay Motors Inc.	1/5/19
4	4/6/19	48 Mo	2019 Chevrolet Blazer	3GNKBJRS4KS633973	Setay Motors Inc.	13/6/19
5	19/6/19	48 Mo	2019 Chevrolet Silverado 1500	1GCUYBEFXZK259516	Setay Motors Inc.	26/6/19
6	15/7/19	48 Mo	2015 Chevrolet Express Cutaway Van	1GAWGPFF9F1144586	Setay Motors Inc.	25/7/19
7	15/7/19	48 Mo	2015 Chevrolet Express Cutaway Van	1GAWGPFF9F1146547	Setay Motors Inc.	23/7/19
8	8/8/19	51 Mo	2019 Chevrolet Silverado	1GCUYGED3KZ397829	Setay Motors Inc.	27/8/19
9	19/2/20	36 Mo	2020 Chevrolet Silverado	1GCUYEED8LZ111334	Setay Motors Inc.	25/2/20
10	19/2/20	36 Mo	2020 Chevrolet Silverado	1GCUYGELXLZ198673	Setay Motors Inc.	28/2/20
11	9/3/20	36 Mo	2019 Chevrolet Equinox	2GNAXVEX0K6280555	Setay Motors Inc.	18/3/20
12	26/10/20	48 Mo	2021 Chevrolet Silverado	1GCUYBEF9MZ109013	Setay Motors Inc.	2/11/20
13	11/9/19	24 Mo	2015 Chevrolet Silverado	1GCVKSEC2FZ223269	Clear	N/A

	Date of Lease (d/m/y)	Lease Term	Collateral	VIN	Party Registered against VIN	Date of Reg. on VIN
						(Original registration 16/9/19 appears to have been discharged)
14	6/8/19	21 Mo	2015 Chevrolet Silverado	3GCUKSECXFG398736	Clear	N/A (Original registration 21/8/19 appears to have been discharged)
15	24/4/17	60 Mo	2017 Chevrolet Silverado 1500	3GCUKTEC1HG383566	Setay Motors Inc.	29/4/22 – Error in debtor name (Allied Track Services Inc.) (Original registration 3/5/17 appears to have been discharged)
16	25/5/17	60 Mo	2017 GMC Sierra	3GTU2MEC0HG214273	Setay Motors Inc.	15/7/22 (Original registration 8/6/17 appears to have been discharged)
17	Unknown	Unknown	2019 GMC Sierra	1GTU9FEL1KZ225846	Setay Motors Inc.	11/2/19

Appendix “F”

86 73

DEAL # **114533**
 CUSTOMER # **790434**

OFFER TO LEASE

ALLIED TRACK SERVICES INC.
 169A SOUTH SERVICE RD
 GRIMSBY ON L0R 1N0

Base Monthly Payment	796.06
Provincial Sales Tax	0.00
Goods & Services Tax	<u>103.49</u>
Total Monthly Payment	<u>899.55</u>

Serial #	1GC1KUEG2GF106369	
Vehicle Year	2016	
Make	CHEVROLET	
Model	SILVERADO	
Trim		
Residual Value	100.00	
Term (Months)	26	
Security Deposit	0.00	
Start Date	03/12/2020	

<u>Due On Delivery</u>	
FIRST MONTH PAYMENT	899.55
-----	-----
-----	-----
-----	-----
-----	-----
-----	-----
G.S.T.	-----
P.S.T.	-----
-----	-----
-----	-----
-----	-----
-----	-----
-----	-----
-----	-----
-----	-----
TOTAL DUE ON DELIVERY	<u>899.55</u>


ALLIED TRACK SERVICES INC.


QUEENSTON CHEVROLET BUICK GMC

This offer could possibly be affected by changes in the manufacturers pricing and/or fluctuations in the finance rates prior to delivery.

***** This agreement is subject to credit approval *****

LEASE DELIVERY AND ACKNOWLEDGEMENT

In order to comply with the Consumer Protection Act and Ontario Motor Vehicle Industry Council regulations, we ask that you review the following and sign below acknowledging your understanding of the terms of your lease Contract # 114533

I am responsible for providing insurance and preventative maintenance and repairs on the vehicle. I am responsible for the cost of any damage to the vehicle (regardless of cause) and any related accelerated depreciation as a result thereof.

I authorize you (the lessor) to electronically withdraw any amounts due under this lease from my bank account as they become due.

I have guaranteed that the value of the vehicle on the Expiry Date will be at least \$ 100.00

Should I elect to purchase the vehicle on the Expiry Date, I understand that I will be responsible for the cost of obtaining a Safety Certificate and an Emissions Standards Certificate as well as any repairs necessary to obtain these certificates.

I acknowledge that you will be registering a lien on the vehicle under the Personal Property Security Act during the term of the lease in order to protect your interest in the vehicle. I waive any further notice of your lien registration.

In case of any concerns with this lease, I should first contact you (the lessor). If concerns persist, I may contact the Ontario Motor Vehicle Industry Council as the administrative authority designated for administering the Motor Vehicle Dealers Act, 2002.

I may be eligible for compensation from the Motor Vehicle Dealers Compensation Fund if I suffer a financial loss from this transaction and if you (the lessor) are unable or unwilling to make good on the loss.

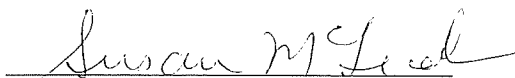
I may have additional rights at law and may contact:

Ontario Motor Vehicle Industry Council
789 Don Mills Road – Suite 800, Toronto, Ontario M3C 1T5
Call 416-226-4500 or 1-800-943-6002 or go to www.omvic.on.ca

I understand that a safety standards certificate is only an indication that the motor vehicle met certain basic standards of vehicle safety on the date of inspection.

The Canadian Motor Vehicle Arbitration Plan (CANVAP) may be available to resolve any disputes concerning alleged manufacturer's defects or implementation of the manufacturer's new motor vehicle warranty. Only vehicles less than 5 years old that have been driven less than 160,000 km qualify.

BMW, Mitsubishi and most exotic foreign sports car manufacturers do not participate in CANVAP. Consequently, CANVAP is unavailable to resolve any disputes for these makes of vehicle.



Lessee **ALLIED TRACK SERVICES INC.**

DATE 03/12/2020



2260 Rymal Road East
Heritage Green RPO, P.O. Box 99051
Hamilton, Ontario L8J 2P7
(905) 528-7001 · Fax: (905) 692-2597
Website: www.queenstonchev.com

TO: ARTHUR J GALLAGHER
FROM: MARTY MUIS

Date: 11 Mar 2020
Deal#: 114533
Client#: 790434

DEAR SIR: RE:2016 CHEVROLET SILVERADO 1GC1KUEG2GF106369

QUEENSTON CHEVROLET BUICK GMC is leasing the above vehicle to ALLIED TRACK SERVICES INC. .
Before we can release this vehicle to our mutual client, we will require a Certificate of Insurance
from your office confirming that the following coverage is in place on 12 Mar 2020.

Name Insured	- ALLIED TRACK SERVICES INC.
Customer Address	- 169A SOUTH SERVICE RD GRIMSBY ON L0R 1N0
Lessor	- SETAY MOTORS INC.
Third Party Liability	- \$1,000,000 Minimum Limit
Direct Compensation	- \$1,000 Maximum Deductible
Comprehensive	- \$1,000 Maximum Deductible - Full value
Collision	- \$1,000 Maximum Deductible - Full value
<u>O.P.C.F. 21A</u>	- <u>EXCLUDED</u>
O.P.C.F. 5A	- Permission to Rent or Lease included

Please confirm that our dealership is included on the policy as Lessor:

SETAY MOTORS INC.
2260 RYMAL ROAD EAST HAMILTON, ON L8J 2P7
Phone (905) 528 7001 Fax (905) 692-2597

Would you please Fax this certificate to my attention at (905) 692-2597 prior to 12 Mar 2020 .

Thank you for your prompt attention to this matter.

QUEENSTON CHEVROLET BUICK GMC

ALLIED TRACK SERVICES INC.

If you are unable to provide me with a Certificate of Insurance prior to 12 Mar 2020 would you please confirm that the above coverage is in place by signing below and returning this letter to me by FAX at (905) 692-2597?

The above coverage is in place _____
Insurance Company Name

Broker Signature

Policy Number

Start date

Expiry Date

Broker Name:

PHONE NUMBER:

FAX NUMBER:

ATTACHED TO AND FORMING PART OF THE LEASE CONTRACT
S.C.F. No. 1 - LESSEE'S INSURANCE UNDERTAKING

During the term of the lease contract commencing

12 March 2020 and ending _____
 Day Month Year Day Month Year

and any extension thereof, whereby I/We, the lessee of the following automobiles:

Year Make Model Serial Number
2016 CHEVROLET SILVERADO 1GC1KUEG2GF106369

owned by SETAY MOTORS INC. o/a QUEENSTON CHEVROLET BUICK

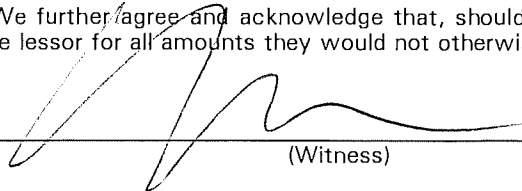
(hereinafter called the lessor), agree to effect and maintain a Standard Automobile Policy (Owner's Form), including S.E.F. No. 5 - Permission to Rent or Lease Endorsement (specified lessee including modified application - separate policy) in the name of the lessor with respect to the above described automobiles for the following perils, limits and amounts:

INSURING AGREEMENTS		PERILS	LIMITS AND AMOUNTS
SECTION A THIRD PARTY LIABILITY		LEGAL LIABILITY FOR BODILY INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO PROPERTY	\$ 1,000,000.00 <small>(EXCLUSIVE OF COSTS AND POST JUDGEMENT INTEREST) FOR LOSS OR DAMAGE RESULTING FROM BODILY INJURY TO OR THE DEATH OF ONE OR MORE PERSONS, AND FOR LOSS OR DAMAGE TO PROPERTY, REGARDLESS OF THE NUMBER OF CLAIMS ARISING FROM ANY ONE ACCIDENT.</small>
SECTION B ACCIDENT BENEFITS	SUB SEC. 1.	PAYMENTS FOR DEATH OR BODILY INJURY	\$ AS STATED IN SECTION B OF THE POLICY OR EACH PERSON
	2.		AS STATED IN SECTION B OF THE POLICY OR PRINCIPAL \$ MAXIMUM WEEKLY BENEFIT \$
	3.	UNINSURED MOTORIST	AS STATED IN SECTION B OF THE POLICY
SECTION C LOSS OF OR DAMAGE TO OTHER AUTOMOBILES	SUB SEC. 1.	ALL PERILS	\$ 1,000.00
	2.	COLLISION OR UPSET	\$ 1,000.00
	3.	COMPREHENSIVE (excluding collision or upset)	\$ 1,000.00
	4.	SPECIFIED PERILS (excluding collision or upset)	\$ 1,000.00
} AMOUNT DEDUCTIBLE ON EACH SEPARATE CLAIM EXCEPT FOR LOSS OR DAMAGE BY FIRE OR LIGHTNING OR THEFT OF THE ENTIRE AUTOMOBILE.			
ENDORSEMENTS			

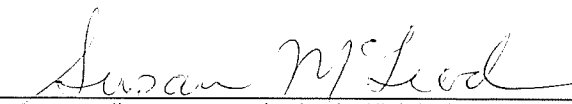
I/We agree to deliver or cause to be delivered to the lessor, within the 30 day period immediately following the date of the delivery of the automobile(s) to me/us, such insurance policy and any endorsements and certificates applicable thereto.

I/We agree to deliver or cause to be delivered to the lessor, within the 15 day period immediately following the expiry or termination date of such policy, written evidence of the renewal or replacement of such policy.

I/We further agree and acknowledge that, should I/We fail to comply with this Lessee's Insurance Undertaking, I/We shall reimburse the lessor for all amounts they would not otherwise be liable to pay.



 (Witness)



 (Lessee or authorized official of lessee)

 (Title of official of lessee)

Signed at HAMILTON

Date 03/12/2020



2260 Rymal Road East
Heritage Green RPO, P.O. Box 99051
Hamilton, Ontario L8J 2P7
(905) 528-7001. Fax: (905) 692-2597
Website: www.queenstonchev.com

90
Deal#: 114533
Cust#: 790434
GST#: 104806120

LEASE AGREEMENT & DISCLOSURE STATEMENT

DAY	MONTH	YEAR
11	Mar	2020

I/WE (THE LESSEE) OFFER TO LEASE FROM THE ABOVE DEALER (THE LESSOR), THE FOLLOWING VEHICLE ON THE TERMS SET ON IN THIS CONTRACT, INCLUDING THE TERMS ON THE REVERSE. THIS ORDER IS NOT BINDING UNLESS ACCEPTED BY AN AUTHORIZED OFFICIAL OF THE DEALERSHIP.

LESSEE'S INFORMATION				VEHICLE INFORMATION			
NAME: FIRST MIDDLE INITIAL LAST ALLIED TRACK SERVICES INC.				YEAR: 2016	MAKE: CHEVROLET	MODEL: SILVERADO	STOCK #: L91800
ADDRESS: 169A SOUTH SERVICE RD				V.I.N. # (IF KNOWN): 1GCK1KUEG2GF106369			
CITY/TOWN: GRIMSBY		PROVINCE: ON	POSTAL CODE: LOR 1N0	DISTANCE TRAVELLED: <input checked="" type="checkbox"/> KMS. <input type="checkbox"/> MILES			
HOME TELEPHONE NO.: 905-769-1317		BUSINESS TELEPHONE NO.: 905-769-1317		<input type="checkbox"/> DISTANCE UNKNOWN (if unknown check one of the following) <input type="checkbox"/> Vehicle had travelled _____ as of _____ <input type="checkbox"/> True distance travelled believed to be higher. <input type="checkbox"/> Actual distance travelled may be substantially higher than odometer reading.			
DRIVER'S LICENCE NO.: J 0225806		EXPIRY DATE:		NEW VEHICLE: <input type="checkbox"/>	USED (LEASE): <input checked="" type="checkbox"/>	DAILY RENTAL: <input type="checkbox"/>	DELIVERY DATE: 12Mar20
E-MAIL ADDRESS: DARREN.HOWES@ALLIEDTRACK.CA				SAFETY CERTIFICATE # 0225806			
INSURANCE INFORMATION				THIS VEHICLE WILL BE DELIVERED WITH A SAFETY STANDARDS CERTIFICATE <input checked="" type="checkbox"/> YES IF USED VEHICLE <input type="checkbox"/> NO IF NEW VEHICLE			
NAME OF INSURANCE COMPANY:				LEASE DISCLOSURE		LEASE TERMS	
POLICY NO.: CAP047620856 EXPIRY DATE: 05/30/2020				VEHICLE LEASE VALUE \$ 19585.21		VEHICLE LEASE VALUE 19585.21	
INSURANCE AGENT & PHONE NO.: 416/260-5333				CAPITALIZED COST \$ 19650.06			
VEHICLE TO BE TRADED-IN				ANNUAL PERCENT RATE 5.49000 %			
YEAR MAKE MODEL TRIM LEVEL COLOUR				IMPLICIT FINANCE CHARGE \$ 1147.50			
V.I.N. # (Details of trade-in see attached Approval Form)				LEASE PAYMENT PER MONTH \$ 796.06			
EXACT DISTANCE THAT THE VEHICLE HAS TRAVELLED				TOTAL COST OF LEASE \$ 23501.30			
<input type="checkbox"/> KMS. <input type="checkbox"/> MILES				PST ON EACH PAYMENT PER MONTH \$ _____			
IS THERE A LIEN AGAINST THIS VEHICLE? <input type="checkbox"/> YES <input type="checkbox"/> NO				HST ON EACH PAYMENT PER MONTH \$ 103.49		OMVIC FEE 10.00	
H.S.T. NON REGISTRANT <input checked="" type="checkbox"/> H.S.T. REGISTRANT/REGISTRATION # _____				TOTAL PAYMENT PER MONTH \$ 899.55			
RESIDUAL VALUE \$ 100.00				TOTAL NUMBER OF MONTHS 26			
Vehicle Disclosure Statement Attached <input type="checkbox"/> YES <input type="checkbox"/> NO				EACH PAYMENT IS DUE ON THE 1st OF EACH MONTH			
DUE ON DELIVERY				FIRST MONTH PAYMENT 899.55			
GUARANTEED RESIDUAL VALUE (open)							
(Normal Termination see paragraph 11 on reverse)							
I, the Lessee, guarantee that the vehicle will have a value of at least \$ 100.00 at the Expiry Date. In the event that the Realized Value of the Vehicle at Termination is less than \$ 100.00 I agree to immediately pay any deficiency (plus applicable taxes) to you the lessor.							
KILOMETERS AT DELIVERY 176,239							
KILOMETERS ALLOWED DURING TERM 52,000							
MAXIMUM ALLOWABLE KILOMETERS 228,239							
EXCESS KILOMETER RATE \$0.12 per km							
I agree that an EXCESS KILOMETER CHARGE at the rate of 12 cents for each kilometer over 228,239 that is on the vehicle odometer at the Expiry Date will be included as EXCESS WEAR & TEAR for purposes of calculating any balance due to you at the Expiry Date of this lease.							
Lessee: ALLIED TRACK SERVICES INC.							
MANUFACTURER PARTICIPATES IN CANADIAN MOTOR VEHICLE ARBITRATION PLAN (CAMVAP) <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO							
PRIVACY STATEMENT							
By signing this contract you consent to the Lessor contacting you in the future and to the sharing of information with associated businesses so that they may provide you with timely information about their services. You may withdraw your consent in writing at any time.							
SALESPERSON SIGNATURE				TOTAL DUE ON DELIVERY 899.55		CAPITALIZED COST 19650.06	
SALESPERSON'S NAME (PLEASE PRINT): MARTY MUIS		REGISTRATION NO.: 1505770		LESSEE'S ACCEPTANCE			
SALESPERSON'S SIGNATURE: _____		LESSOR'S ACCEPTANCE		LESSEE'S OFFER: By signing this form I have made an offer to lease the vehicle described above ("the Vehicle"). I understand that this offer becomes a binding contract between the Lessor and me when it is accepted by the signature of an authorized official of the Lessor.			
DEALER REGISTRATION No.: 5113766		NAME OF OFFICIAL (PLEASE PRINT): CHRISTIE HEFFERNAN		ACKNOWLEDGEMENT OF TERMS: I acknowledge having read all terms of the contract, including those on the reverse. I understand that they form part of this agreement. I also agree that no verbal promises have been made to me by the Lessor or its employees. I agree that the written terms contained in this contract make up the entire agreement.			
ACCEPTOR'S REGISTRATION No.: 4816880		TITLE: Business Manager		Lessee's Signature: <i>Swan M Le...</i> Co-Signer (if any): _____			
DATE: 03/11/2020		DATE: _____		ALLIED TRACK SERVICES INC.			

TERMS ON BACK FORM PART OF THIS CONTRACT



Ministry of Transportation / Ministère des Transports

Annual Inspection Certificate / Certificat d'inspection annuelle

J 0225806

Make/Marque CHEV	Model/Modèle SILV	VIN/NIV 1GCLKUEG2G E106369	Jurisd./Jurid. ONT
Licence Plate No./N° de plaque d'immatriculation A.M.7.7.6.9.8	Vehicle Owner/ Operator/Propriétaire-exploitant(e) du véhicule QUEENSTON CHEVROLET BUICK		
Odometer/Compteur kilométrique 1.7.6.239	Street No. & Name/Rue et n° 2260 RYMAL RD E		
City, Town/Ville HAMILTON	Province/State/Province/État ONTARIO	Postal Code/Code postal L8S 2P7	

I certify this vehicle was inspected in accordance with the Highway Traffic Act, Regulation 611 and found the items listed on the reverse to be within the prescribed safety standards.

J'atteste que ce véhicule a été inspecté conformément aux dispositions du Code de la route, Règlement 611 et que les éléments figurant au verso satisfont aux normes de sécurité prescrites.

Inspection Station Name/Nom du poste d'inspection ALLIED TRACK SERVICES	Number/Numéro 51-89723
Signature of Licensee/Signature du titulaire de permis <i>[Signature]</i>	Date Inspected/Datée de l'inspection Y/A M D/J 2010 3 11
Signature of Inspecting Mechanic/Signature du mécanicien de la mécanicienne ayant effectué l'inspection <i>[Signature]</i>	Mechanic's Number/Numéro du mécanicien/de la mécanicienne 3105 000 343354
Certificate expires at the end of the 12th month after inspection	Le certificat expire à la fin du 12 ^e mois suivant l'inspection

SR-E-266 18-11

white/blanc: vehicle operator/conducteur • yellow/jaune: MVIS/CIVA

OFFER TO LEASE

ALLIED TRACK SERVICES INC.
 169A SOUTH SERVICE RD
 GRIMSBY ON L0R 1N0

Base Monthly Payment	863.31
Provincial Sales Tax	0.00
Goods & Services Tax	<u>112.23</u>
Total Monthly Payment	<u>975.54</u>

Serial #	3GCUKSECXFG398736	
Vehicle Year	2015	
Make	CHEVROLET	
Model	SILVERADO	
Trim	LTZ	
Residual Value	100.00	
Term (Months)	21	
Security Deposit	0.00	
Start Date	08/14/2019	

Due On Delivery

FIRST MONTH PAYMENT	975.54
DEFER FIRST MONTH PAYMENT	-975.54
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G.S.T.	-----
P.S.T.	-----
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TOTAL DUE ON DELIVERY	<u>0.00</u>

Unit 168


 ALLIED TRACK SERVICES INC.


 QUEENSTON CHEVROLET BUICK GMC

This offer could possibly be affected by changes in the manufacturers pricing and/or fluctuations in the finance rates prior to delivery.

***** This agreement is subject to credit approval *****

LEASE DELIVERY AND ACKNOWLEDGEMENT

In order to comply with the Consumer Protection Act and Ontario Motor Vehicle Industry Council regulations, we ask that you review the following and sign below acknowledging your understanding of the terms of your lease Contract # **111965**

I am responsible for providing insurance and preventative maintenance and repairs on the vehicle. I am responsible for the cost of any damage to the vehicle (regardless of cause) and any related accelerated depreciation as a result thereof.

I authorize you (the lessor) to electronically withdraw any amounts due under this lease from my bank account as they become due.

I have guaranteed that the value of the vehicle on the Expiry Date will be at least \$ **100.00**

Should I elect to purchase the vehicle on the Expiry Date, I understand that I will be responsible for the cost of obtaining a Safety Certificate and an Emissions Standards Certificate as well as any repairs necessary to obtain these certificates.

I acknowledge that you will be registering a lien on the vehicle under the Personal Property Security Act during the term of the lease in order to protect your interest in the vehicle. I waive any further notice of your lien registration.

In case of any concerns with this lease, I should first contact you (the lessor). If concerns persist, I may contact the Ontario Motor Vehicle Industry Council as the administrative authority designated for administering the Motor Vehicle Dealers Act, 2002.

I may be eligible for compensation from the Motor Vehicle Dealers Compensation Fund if I suffer a financial loss from this transaction and if you (the lessor) are unable or unwilling to make good on the loss.

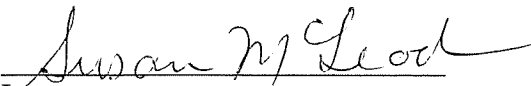
I may have additional rights at law and may contact:

Ontario Motor Vehicle Industry Council
789 Don Mills Road – Suite 800, Toronto, Ontario M3C 1T5
Call 416-226-4500 or 1-800-943-6002 or go to www.omvic.on.ca

I understand that a safety standards certificate is only an indication that the motor vehicle met certain basic standards of vehicle safety on the date of inspection.

The Canadian Motor Vehicle Arbitration Plan (CANVAP) may be available to resolve any disputes concerning alleged manufacturer's defects or implementation of the manufacturer's new motor vehicle warranty. Only vehicles less than 5 years old that have been driven less than 160,000 km qualify.

BMW, Mitsubishi and most exotic foreign sports car manufacturers do not participate in CANVAP. Consequently, CANVAP is unavailable to resolve any disputes for these makes of vehicle.


Lessee **ALLIED TRACK SERVICES INC.**

DATE 08/14/2019



Questions? We're here to help.
support@carfax.ca
1.866.835.8612

ACKNOWLEDGEMENT AND RELEASE

I, the undersigned, have received a copy of a CARFAX Canada vehicle history report, a copy of which is attached to this document.

The particulars of the vehicle are as follows:

VIN: 3GCUKSECF398736

Make: CHEVROLET

Model: SILVERADO

Stock No:

Report Date: 2019-08-02

Report No: 24893324

I have read the report and understand its contents.

I hereby release Queenston on the Mountain (Chev) from any disclosure obligations with regard to the information contained in the report.

Dated this 14 day of Aug, 19.

Customer's Signature: Susan McLeod

Customer's Name: Allied Trucks.



2260 Rymal Road East
Heritage Green RPO, P.O. Box 99051
Hamilton, Ontario L8J 2P7
(905) 528-7001 · Fax: (905) 692-2597
Website: www.queenstonchev.com

TO: ARTHUR J GALLAGHER
FROM: MARTY MUIS

Date: 06 Aug 2019
Deal#: 111965
Client#: 790434

DEAR SIR: RE:2015 CHEVROLET SILVERADO 3GCUKSECFG398736

QUEENSTON CHEVROLET BUICK GMC is leasing the above vehicle to ALLIED TRACK SERVICES INC. .
Before we can release this vehicle to our mutual client, we will require a Certificate of Insurance
from your office confirming that the following coverage is in place on 14 Aug 2019.

Name Insured	- ALLIED TRACK SERVICES INC.
Customer Address	- 169A SOUTH SERVICE RD GRIMSBY ON L0R 1N0
Lessor	- SETAY MOTORS INC.
Third Party Liability	- \$1,000,000 Minimum Limit
Direct Compensation	- \$1,000 Maximum Deductible
Comprehensive	- \$1,000 Maximum Deductible - Full value
Collision	- \$1,000 Maximum Deductible - Full value
<u>O.P.C.F. 21A</u>	- <u>EXCLUDED</u>
O.P.C.F. 5A	- Permission to Rent or Lease included

Please confirm that our dealership is included on the policy as Lessor:

SETAY MOTORS INC.
2260 RYMAL ROAD EAST HAMILTON, ON L8J 2P7
Phone (905) 528 7001 Fax (905) 692-2597

Would you please Fax this certificate to my attention at (905) 692-2597 prior to 14 Aug 2019 .

Thank you for your prompt attention to this matter.

QUEENSTON CHEVROLET BUICK GMC

ALLIED TRACK SERVICES INC.

If you are unable to provide me with a Certificate of Insurance prior to 14 Aug 2019 would you please confirm that the above coverage is in place by signing below and returning this letter to me by FAX at (905) 692-2597?

The above coverage is in place _____
Insurance Company Name

Broker Signature

Policy Number

Start date

Expiry Date

Broker Name:

PHONE NUMBER:

FAX NUMBER:

ATTACHED TO AND FORMING PART OF THE LEASE CONTRACT.
S.C.F. No. 1 - LESSEE'S INSURANCE UNDERTAKING

During the term of the lease contract commencing

14 August 2019 and ending _____
 Day Month Year Day Month Year

and any extension thereof, whereby I/We, the lessee of the following automobiles:

Year Make Model Serial Number
2015 CHEVROLET SILVERADO 3GCUKSECFG398736

owned by SETAY MOTORS INC. o/a QUEENSTON CHEVROLET BUICK

(hereinafter called the lessor), agree to effect and maintain a Standard Automobile Policy (Owner's Form), including S.E.F. No. 5 - Permission to Rent or Lease Endorsement (specified lessee including modified application - separate policy) in the name of the lessor with respect to the above described automobiles for the following perils, limits and amounts:

INSURING AGREEMENTS		PERILS	LIMITS AND AMOUNTS
SECTION A THIRD PARTY LIABILITY		LEGAL LIABILITY FOR BODILY INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO PROPERTY	\$ 1,000,000.00 <small>(EXCLUSIVE OF COSTS AND POST JUDGEMENT INTEREST) FOR LOSS OR DAMAGE RESULTING FROM BODILY INJURY TO OR THE DEATH OF ONE OR MORE PERSONS, AND FOR LOSS OR DAMAGE TO PROPERTY, REGARDLESS OF THE NUMBER OF CLAIMS ARISING FROM ANY ONE ACCIDENT.</small>
SECTION B ACCIDENT BENEFITS	SUB SEC. 1.	PAYMENTS FOR DEATH OR BODILY INJURY	\$ AS STATED IN SECTION B OF THE POLICY OR EACH PERSON
	2.		AS STATED IN SECTION B OF THE POLICY OR PRINCIPAL \$ MAXIMUM WEEKLY BENEFIT \$
	3.	UNINSURED MOTORIST	AS STATED IN SECTION B OF THE POLICY
SECTION C LOSS OF OR DAMAGE TO OTHER AUTOMOBILES	SUB SEC. 1.	ALL PERILS	\$ 1,000.00
	2.	COLLISION OR UPSET	\$ 1,000.00
	3.	COMPREHENSIVE (excluding collision or upset)	\$ 1,000.00
	4.	SPECIFIED PERILS (excluding collision or upset)	\$ 1,000.00
			AMOUNT DEDUCTIBLE ON EACH SEPARATE CLAIM EXCEPT FOR LOSS OR DAMAGE BY FIRE OR LIGHTNING OR THEFT OF THE ENTIRE AUTOMOBILE.
ENDORSEMENTS			

I/We agree to deliver or cause to be delivered to the lessor, within the 30 day period immediately following the date of the delivery of the automobile(s) to me/us, such insurance policy and any endorsements and certificates applicable thereto.

I/We agree to deliver or cause to be delivered to the lessor, within the 15 day period immediately following the expiry or termination date of such policy, written evidence of the renewal or replacement of such policy.

I/We further agree and acknowledge that, should I/We fail to comply with this Lessee's Insurance Undertaking, I/We shall reimburse the lessor for all amounts they would not otherwise be liable to pay.

 (Witness)

Susan McLeod
 (Lessee or authorized official of lessee)

 (Title of official of lessee)

Signed at HAMILTON

Date 08/14/2019




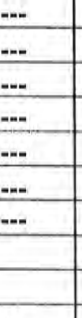
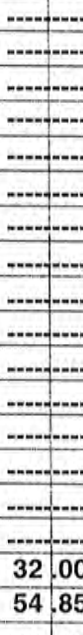
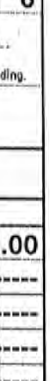
2260 Rymal Road East
Heritage Green RPO, P.O. Box 99051
Hamilton, Ontario L8J 2P7
(905) 528-7001. Fax: (905) 692-2597
Website: www.queenstonchev.com

97
Deal#: 111965
Cust#: 790434
GST#: 104806120

**LEASE AGREEMENT
& DISCLOSURE STATEMENT**

DAY	MONTH	YEAR
06	Aug	2019

I/WE (THE LESSEE) OFFER TO LEASE FROM THE ABOVE DEALER (THE LESSOR), THE FOLLOWING VEHICLE ON THE TERMS SET ON IN THIS CONTRACT, INCLUDING THE TERMS ON THE REVERSE. THIS ORDER IS NOT BINDING UNLESS ACCEPTED BY AN AUTHORIZED OFFICIAL OF THE DEALERSHIP.

LESSEE'S INFORMATION				VEHICLE INFORMATION						
NAME: FIRST MIDDLE INITIAL LAST ALLIED TRACK SERVICES INC.				YEAR: 2015	MAKE: CHEVROLET	MODEL: SILVERADO	TRIM LEVEL: LTZ	COLOUR: WHITE	STOCK #: M158736	
ADDRESS: 169A SOUTH SERVICE RD				VIN # (IF KNOWN) 3 G C U K S E C X F G 3 9 8 7 3 6						
CITY/TOWN: GRIMSBY		PROVINCE: ON	POSTAL CODE: LOR 1N0	DISTANCE TRAVELLED: <input checked="" type="checkbox"/> KMS. <input type="checkbox"/> MILES		<input type="checkbox"/> DISTANCE UNKNOWN (if unknown check one of the following) <input type="checkbox"/> Vehicle had travelled _____ as of _____ <input type="checkbox"/> True distance travelled believed to be higher. <input type="checkbox"/> Actual distance travelled may be substantially higher than odometer reading.				
HOME TELEPHONE No. 905-769-1317		BUSINESS TELEPHONE No. 905-769-1317		DISTANCE TRAVELLED: 2 7 6 3 7 4						
DRIVER'S LICENCE No. 2	EXPIRY DATE	NEW VEHICLE <input type="checkbox"/> USED (DEMO) <input checked="" type="checkbox"/> DAILY RENTAL <input type="checkbox"/>		APR. WARRANTY IN-SERVICE DATE	DELIVERY DATE: 14 Aug 19	DETAILS OF DELIVERY				
E-MAIL ADDRESS: DARREN.HOWES@ALLIEDTRACK.CA				THIS VEHICLE WILL BE DELIVERED WITH A SAFETY STANDARDS CERTIFICATE <input checked="" type="checkbox"/> YES IF USED VEHICLE <input type="checkbox"/> NO IF NEW VEHICLE						
INSURANCE INFORMATION				LEASE DISCLOSURE				LEASE TERMS		
NAME OF INSURANCE COMPANY				VEHICLE LEASE VALUE	\$ 17250.00		VEHICLE LEASE VALUE		17250.00	
POLICY NO. CAP047620856 EXPIRY DATE 05/30/2020				CAPITALIZED COST	\$ 17346.85					
INSURANCE AGENT & PHONE NO. 416/260-5333				ANNUAL PERCENT RATE	5.99000 %					
VEHICLE TO BE TRADED-IN				IMPLICIT FINANCE CHARGE	\$ 882.66					
YEAR	MAKE	MODEL	TRIM LEVEL	COLOUR	LEASE PAYMENT PER MONTH	\$ 863.31				
VIN # (Details of trade-in see attached Appraisal Form)				TOTAL COST OF LEASE	\$ 20599.34					
EXACT DISTANCE THAT THE VEHICLE HAS TRAVELLED				PST ON EACH PAYMENT PER MONTH	\$					
				HST ON EACH PAYMENT PER MONTH	\$ 112.23					
				TOTAL PAYMENT PER MONTH	\$ 975.54					
				TOTAL NUMBER OF MONTHS	21					
IS THERE A LIEN AGAINST THIS VEHICLE? <input type="checkbox"/> YES <input type="checkbox"/> NO				EACH PAYMENT IS DUE ON THE 1st OF EACH MONTH						
H.S.T. NON REGISTRATION <input checked="" type="checkbox"/> H.S.T. REGISTRATION FOR REGISTRATION #				RESIDUAL VALUE	\$ 100.00					
				Vehicle Disclosure Statement Attached <input type="checkbox"/> YES <input type="checkbox"/> NO						
GUARANTEED RESIDUAL VALUE (open)				DUE ON DELIVERY						
(Normal Termination see paragraph 11 on reverse)				FIRST MONTH PAYMENT	975.54					
I, the Lessee, guarantee that the vehicle will have a value of at least \$ 100.00 at the Expiry Date. In the event that the Realized Value of the Vehicle at Termination is less than \$ 100.00 I agree to immediately pay any deficiency (plus applicable taxes) to you the lessor.				DEFER FIRST MONTH PAYMENT	-975.54					
KILOMETERS AT DELIVERY 276,374										
KILOMETERS ALLOWED DURING TERM 42,000										
MAXIMUM ALLOWABLE KILOMETERS 318,374										
EXCESS KILOMETER RATE \$0.12 per km										
I agree that an EXCESS KILOMETER CHARGE at the rate of 12 cents for each kilometer over 318,374 that is on the vehicle odometer at the Expiry Date will be included as EXCESS WEAR & TEAR for purposes of calculating any balance due to you at the Expiry Date of this lease.										
 Lessee ALLIED TRACK SERVICES INC.										
MANUFACTURER PARTICIPATES IN CANADIAN MOTOR VEHICLE ARBITRATION PLAN (CAMVAP) <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO										
PRIVACY STATEMENT										
By signing this contract you consent to the Lessor contacting you in the future and to the sharing of information with associated businesses so that they may provide you with timely information about their services. You may withdraw your consent in writing at any time.										
SALESPERSON SIGNATURE				TOTAL DUE ON DELIVERY		0.00		CAPITALIZED COST		17346.85
SALESPERSON'S NAME (PLEASE PRINT): MARTY MUIS		REGISTRATION NO. 1505770		LESSEE'S ACCEPTANCE						
SALESPERSON'S SIGNATURE: 				LESSEE'S OFFER: By signing this form I have made an offer to lease the vehicle described above ("the Vehicle"). I understand that this offer becomes a binding contract between the Lessor and me when it is accepted by the signature of an authorized official of the Lessor.						
LESSOR'S ACCEPTANCE				ACKNOWLEDGEMENT OF TERMS: I acknowledge having read all terms of the contract, including those on the reverse. I understand that they form part of this agreement. I also agree that no verbal promises have been made to me by the Lessor or its employees. I agree that the written terms contained in this contract make up the entire agreement.						
DEALER REGISTRATION No. 5113766		NAME OF OFFICIAL (PLEASE PRINT): CHRISTIE HEFFERNAN		Lessee's Signature:  Co-Signer (if any) _____ ALLIED TRACK SERVICES INC. TERMS ON BACK FORM PART OF THIS CONTRACT						
ACCEPTOR'S REGISTRATION No. 4816880		TITLE: Business Manager								
DATE: 08/06/2019										



VERIFIED VEHICLE HISTORY REPORT

VEHICLE DETAILS:

VIN: 3GCUKSECFG398736
 Year/Make/Model: 2015 CHEVROLET SILVERADO K1500 LTZ
 Body Style: PICKUP
 Country of Assembly: Mexico
 Cylinders: 8
 Fuel Type: Gas

REPORT DETAILS:

Report Number: 24893324
 Report Date: 8/2/2019 11:09 AM EST
 Report Status: Complete
 Reference:

REPORT SUMMARY

	Accidents / Damage:	No damage records found
	Lien Records:	Lien records found
	Canadian Registration:	Ontario (Normal)
	Stolen Status:	Not actively declared stolen
	U.S. History:	No U.S. history found
	Recalls:	3 recall notice(s) found
	Service History:	15 record(s) found

QUESTIONS?

WE'RE HERE TO HELP.

CALL
1.866.835.8612

EMAIL
SUPPORT@CARFAX.CA

Report Findings in Chronological Order

Below are all records for the vehicle, listed in the order that they occurred.

Date	Location	Data Source	Type of Record	Detail	Odometer
08/24/2015	Ontario, Canada	Motor Vehicle Dept.	Canadian Renewal	Registration Issued or Renewed	
08/24/2015	Ontario, Canada	Motor Vehicle Dept.	Canadian Renewal	First Owner Reported	
08/24/2015	Ontario, Canada	Motor Vehicle Dept.	Previous use	Commercial	
11/06/2015	Medicine Hat, Alberta, Canada	Jiffy Lube	Service Record	Vehicle serviced	19,249 KM
11/26/2015	Medicine Hat, Alberta, Canada	Jiffy Lube	Service Record	Vehicle serviced	24,652 KM
01/04/2016	Medicine Hat, Alberta, Canada	Service Facility	Service Record	Vehicle serviced	27,277 KM
01/27/2016	Medicine Hat, Alberta, Canada	Service Facility	Service Record	Vehicle serviced	33,770 KM
02/24/2016	Medicine Hat, Alberta, Canada	Jiffy Lube	Service Record	Vehicle serviced	
02/29/2016	Ontario, Canada	Motor Vehicle Dept.	Canadian Renewal	Registration Issued or Renewed	
02/29/2016	Ontario, Canada	Motor Vehicle Dept.	Previous use	Commercial	
03/29/2016	Medicine Hat, Alberta, Canada	Jiffy Lube	Service Record	Vehicle serviced	43,866 KM
05/02/2016	Medicine Hat, Alberta, Canada	Jiffy Lube	Service Record	Vehicle serviced	53,870 KM
07/30/2016	Medicine Hat, Alberta, Canada	Murray Chevrolet Cadillac MH	Service Record	Vehicle serviced	80,899 KM
10/25/2016	Medicine Hat, Alberta, Canada	Jiffy Lube	Service Record	Vehicle serviced	106,036 KM
10/26/2016	Medicine Hat, Alberta, Canada	Murray Chevrolet Cadillac MH	Service Record	Vehicle serviced	
11/30/2016	Medicine Hat, Alberta, Canada	Service Facility	Service Record	Vehicle serviced	115,001 KM

Date	Location	Data Source	Type of Record	Detail	Odometer
12/16/2016	Medicine Hat, Alberta, Canada	Jiffy Lube	Service Record	Vehicle serviced	119,909 KM
03/01/2017	Ontario, Canada	Motor Vehicle Dept.	Canadian Renewal	Registration Issued or Renewed	
03/01/2017	Ontario, Canada	Motor Vehicle Dept.	Previous use	Commercial	
03/07/2017	Medicine Hat, Alberta, Canada	Murray Chevrolet Cadillac MH	Service Record	Vehicle serviced	128,062 KM
03/17/2017	Medicine Hat, Alberta, Canada	Jiffy Lube	Service Record	Vehicle serviced	128,112 KM
01/02/2018	Morris, Manitoba, Canada	Integra Tire (Morris)	Service Record	Vehicle serviced	188,543 KM
03/01/2018	Ontario, Canada	Motor Vehicle Dept.	Canadian Renewal	Registration Issued or Renewed	
03/01/2018	Ontario, Canada	Motor Vehicle Dept.	Previous use	Commercial	
03/01/2019	Ontario, Canada	Motor Vehicle Dept.	Canadian Renewal	Registration Issued or Renewed	
03/01/2019	Ontario, Canada	Motor Vehicle Dept.	Previous use	Commercial	
06/27/2019		CHEVROLET	Recall	Manufacturer Recall Issued Recall # N192220470	
06/27/2019		CHEVROLET	Recall	Manufacturer Recall Issued Recall # N192217410	
06/27/2019		CHEVROLET	Recall	Manufacturer Recall Issued Recall # N192220470	

Accident, Collision and Damage Detail

If the vehicle has had any history of accidents, collisions or damage in either Canada or the U.S., the records are outlined in this section.

VIN: 3GCUKSECFG398736

Police Reported Accidents

Incident Date	Location	Detail
No police reported accidents found		

Accident/Damage Estimates

Accident estimate records are generated by collision estimating facilities from the process of estimating the amount and extent of damage to a vehicle. Estimates in some cases have associated insurance claims.

Incident Date	Location	Estimate Date	Type of Record	Detail	Amount	Odometer
No estimates found						

Insurance Claims

The insurance claims identified in this report do not include any medical pay-outs, damage to other vehicles, damage to property, towing, rental cars, or any other incidental damages.

Incident Date	Location	Type of Claim	Detail	Amount	Odometer
No claims found					

Other Damage Records

Record Date	Location	Type of Record	Detail	Odometer
No other damage records found				

Lien Status

This section lists the provinces and territories where we searched for or found a security interest registered against the vehicle (lien). If a lien is found, further details will appear at the end of the report.

Province	Lien
Ontario	LIEN FOUND



CARFAX Canada Canadian Lien Guarantee

Our search results accurately reflect the government records of each personal property and security registry in Canada that is searched at the time the search request is made. If for some reason our search report fails to accurately reflect the Canadian enforceable lien status of a vehicle at the time of the search, CARFAX Canada will reimburse the party that purchased the report and relied on it to their detriment to a maximum amount of (1) the value of the car (2) the value of the lien (3) Five Thousand Dollars Canadian (\$5,000.00), whichever is lower.

 **Canadian Registration**

This section details where in Canada the vehicle is now or has ever been registered, as well as the status (Inspection Required, Normal, Non-repairable, Rebuilt, Salvage, Stolen) of the vehicle in those jurisdictions.

Jurisdiction	Branding	Detail
Alberta	Not found	
British Columbia	Not found	
Manitoba	Not found	
New Brunswick	Not found	
Newfoundland	Not found	
Nova Scotia	Not found	
Northwest Territories	Not found	
Nunavut	Not found	
Ontario	NORMAL	This vehicle has been registered as Normal in this jurisdiction.
Prince Edward Island	Not found	
Quebec	Not found	
Saskatchewan	Not found	
Yukon Territories	Not found	

 **Stolen Vehicle Check**

This section outlines data from the Canadian Police Information Centre (CPIC), which is operated by the RCMP under the stewardship of National Police Services, on behalf of the Canadian law enforcement community.

Stolen Vehicle Check
Not declared stolen.

 **Import Records**

If the vehicle has been imported, you will find the details below.

Import Records
No vehicle import records found

 **United States Vehicle History**

In addition to information about the vehicle's history in Canada, CARFAX Canada also searches for information about the vehicle's history in the United States. If we discover any events in the U.S., you will find them below. Details about accidents, collisions and damage, or any import records will appear in the preceding sections of your report.

U.S. History Records
No U.S. history records found

 **Recalls**

Recall # N192220470
Recall Date: 6/27/2019
Rear Window Defroster Thermal Events (Canada Only)

Recall Description:
General Motors has approved a safety recall in Canada for certain 2014-2019 model year Chevrolet Silverado and GMC Sierra vehicles equipped with a power sliding rear window (RPO A48). In some of these vehicles, areas of high electric resistance on the rear defroster circuit, caused, in part, by mechanical stress from opening and closing the rear power window, intrusion of debris, and use of the rear defroster may, over time, generate heat which could melt the areas surrounding the circuit. In rare instances, this heat could cause a non-propagating fire, increasing the risk of property damage or injury.

Remedy
Interim solution - Dealers will remove the fuse to the rear window defrost grid.

This recall was open as of the date/time that this report was generated. For more information, or to find out if the recall has been closed, please contact CHEVROLET or visit GM's website.

Recall # N192220470
Recall Date: 6/27/2019
Rear Window Defroster Thermal Events (Canada Only)

Recall Description:
General Motors has approved a safety recall in Canada for certain 2014-2019 model year Chevrolet Silverado and GMC Sierra vehicles equipped with a power sliding rear window (RPO A48). In some of these vehicles, areas of high electric resistance on the rear defroster circuit, caused, in part, by mechanical stress from opening and closing the rear power window, intrusion of debris, and use of the rear defroster may, over time, generate heat which could melt the areas surrounding the circuit. In rare instances, this heat could cause a non-propagating fire, increasing the risk of property damage or injury.

Remedy
Interim solution - Dealers will remove the fuse to the rear window defrost grid.

This recall was open as of the date/time that this report was generated. For more information, or to find out if the recall has been closed, please contact CHEVROLET or visit GM's website.

Recall # N192217410
Recall Date: 6/27/2019
Reduction In Vacuum Brake Assist – Canada Only















Recall Description:
General Motors has approved a safety recall in Canada for certain 2017 model year Chevrolet Silverado LD, GMC Sierra LD, Cadillac Escalade, Chevrolet Suburban, Chevrolet Tahoe, and GMC Yukon vehicles, that, in some circumstances, may have a condition in which the engine-mounted mechanical vacuum pump output may decrease over time, decreasing the amount of vacuum/power brake assist. If the vacuum level drops, customers may experience increased brake pedal effort, hard brake pedal, and/or potentially increased stopping distance. The Driver's Information Centre (DIC) "Service brake assist" alert will activate 2-5 minutes after the vacuum level drops, and a Diagnostic Trouble Code (DTC) will also be set. Even where this condition occurs, the hydraulic brake system remains functional. The condition is more prevalent at low speed when softly applying the brakes. Failure to follow recommended oil change intervals could contribute to this condition.


Remedy
Dealers are to reprogram the electronic brake control module (EBCM).

This recall was open as of the date/time that this report was generated. For more information, or to find out if the recall has been closed, please contact CHEVROLET or visit GM's website.

Service History

These are records of service performed on the vehicle. These are the records reported to CARFAX Canada when this report was run – it is possible that service has occurred that is not captured here.

Date	Address	Data Source	Type of Record	Detail	Odometer
11/06/2015	 Medicine Hat, Alberta, Canada	Jiffy Lube	Service Record	Maintenance inspection completed Oil and filter changed	19,249 KM
11/26/2015	 Medicine Hat, Alberta, Canada	Jiffy Lube	Service Record	Maintenance inspection completed Oil and filter changed	24,652 KM
01/04/2016	 Medicine Hat, Alberta, Canada	Service Facility	Service Record		27,277 KM
01/27/2016	 Medicine Hat, Alberta, Canada	Service Facility	Service Record		33,770 KM
02/24/2016	 Medicine Hat, Alberta, Canada	Jiffy Lube	Service Record	Maintenance inspection completed Oil and filter changed	
03/29/2016	 Medicine Hat, Alberta, Canada	Jiffy Lube	Service Record	Maintenance inspection completed Oil and filter changed	43,866 KM
05/02/2016	 Medicine Hat, Alberta, Canada	Jiffy Lube	Service Record	Maintenance inspection completed Oil and filter changed	53,870 KM
07/30/2016	 Medicine Hat, Alberta, Canada	Murray Chevrolet Cadillac MH	Service Record	Vehicle serviced	80,899 KM
10/25/2016	 Medicine Hat, Alberta, Canada	Jiffy Lube	Service Record	Maintenance inspection completed Oil and filter changed	106,036 KM
10/26/2016	 Medicine Hat, Alberta, Canada	Murray Chevrolet Cadillac MH	Service Record	Vehicle serviced	
11/30/2016	 Medicine Hat, Alberta, Canada	Service Facility	Service Record		115,001 KM
12/16/2016	 Medicine Hat, Alberta, Canada	Jiffy Lube	Service Record	Maintenance inspection completed Oil and filter changed	119,909 KM
03/07/2017	 Medicine Hat, Alberta, Canada	Murray Chevrolet Cadillac MH	Service Record	Vehicle serviced	128,062 KM
03/17/2017	 Medicine Hat, Alberta, Canada	Jiffy Lube	Service Record	Maintenance inspection completed Oil and filter changed	128,112 KM

Date	Address	Data Source	Type of Record	Detail	Odometer
01/02/2018	 Morris, Manitoba, Canada	Integra Tire (Morris)	Service Record	Antifreeze/coolant checked Antifreeze/coolant flushed/changed Tire repaired	188,543 KM



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Information on Reports

Conditions of Use

This vehicle history report is compiled from multiple data sources. It is not always possible for CARFAX Canada ULC or its source data providers to obtain complete information on any one vehicle. For example, there may be other title brands, registrations, declarations, accident information, service records, recall information, odometer readings or other information where discrepancies that apply to this vehicle are not reflected in this report. CARFAX Canada and its source data providers receive data and information from external sources believed to be reliable, but no responsibility is assumed by CARFAX Canada, its source data providers or its agents for any errors, inaccuracies or omissions. The reports are provided strictly on an as-is where-is basis, and CARFAX Canada and its source data providers further expressly disclaim all warranties, express or implied, including any warranties of timeliness, accuracy, merchantability, merchantable quality or fitness for a particular purpose regarding this report or its contents. Neither CARFAX Canada nor any of its source data providers shall be liable for any losses, expenses or damages in connection with any report or any information contained within a report, including the accuracy thereof or any delay or failure to provide a report or any information. By obtaining, reviewing and/or using this vehicle history report, you agree to be bound by all of the terms and conditions in CARFAX Canada's Conditions of Use and any CARFAX Canada End User License Agreements as each may be amended from time to time by CARFAX Canada.

i Please note CARPROOF recently changed its name to CARFAX Canada!



2260 Rymal Road East
Heritage Green RPO, P.O. Box 99051
Hamilton, Ontario L8J 2P7
(905) 528-7001 · Fax: (905) 692-2597
Website: www.queenstonchev.com
GST# 104806120

DEAL # 112456
CUSTOMER # 790434

OFFER TO LEASE

ALLIED TRACK SERVICES INC.
169A SOUTH SERVICE RD
GRIMSBY ON L0R 1N0

Base Monthly Payment	849.55
Provincial Sales Tax	0.00
Goods & Services Tax	<u>110.44</u>
Total Monthly Payment	<u>959.99</u>

Serial # 1GCVKSEC2FZ223269

Vehicle Year	2015
Make	CHEVROLET
Model	SILVERADO
Trim	H3B
Residual Value	280.40
Term (Months)	24
Security Deposit	0.00
Start Date	09/09/2019

Due On Delivery

FIRST MONTH PAYMENT	959.99
DEFER FIRST MONTH PAYMENT	-959.99
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-----	-----
G.S.T.	-----
P.S.T.	-----
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TOTAL DUE ON DELIVERY	<u>0.00</u>

Unit # 165

Susan McLeod
ALLIED TRACK SERVICES INC.

[Signature]
QUEENSTON CHEVROLET BUICK GMC

This offer could possibly be affected by changes in the manufacturers pricing and/or fluctuations in the finance rates prior to delivery.

***** This agreement is subject to credit approval *****

ATTACHED TO AND FORMING PART OF THE LEASE CONTRACT
S.C.F. No. 1 - LESSEE'S INSURANCE UNDERTAKING

During the term of the lease contract commencing

09 September 2019 and ending _____
 Day Month Year Day Month Year

and any extension thereof, whereby I/We, the lessee of the following automobiles:

Year	Make	Model	Serial Number
<u>2015</u>	<u>CHEVROLET</u>	<u>SILVERADO</u>	<u>1GCVKSEC2FZ223269</u>

owned by SETAY MOTORS INC. o/a QUEENSTON CHEVROLET BUICK

(hereinafter called the lessor), agree to effect and maintain a Standard Automobile Policy (Owner's Form), including S.E.F. No. 5 - Permission to Rent or Lease Endorsement (specified lessee including modified application - separate policy) in the name of the lessor with respect to the above described automobiles for the following perils, limits and amounts:

INSURING AGREEMENTS		PERILS	LIMITS AND AMOUNTS
SECTION A THIRD PARTY LIABILITY		LEGAL LIABILITY FOR BODILY INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO PROPERTY	\$ 1,000,000.00 <small>(EXCLUSIVE OF COSTS AND POST JUDGEMENT INTEREST) FOR LOSS OR DAMAGE RESULTING FROM BODILY INJURY TO OR THE DEATH OF ONE OR MORE PERSONS, AND FOR LOSS OR DAMAGE TO PROPERTY, REGARDLESS OF THE NUMBER OF CLAIMS ARISING FROM ANY ONE ACCIDENT.</small>
SECTION B ACCIDENT BENEFITS	SUB SEC. 1.	PAYMENTS FOR DEATH OR BODILY INJURY	\$ AS STATED IN SECTION B OF THE POLICY OR EACH PERSON
	2.		AS STATED IN SECTION B OF THE POLICY OR PRINCIPAL \$ MAXIMUM WEEKLY \$ BENEFIT \$
	3.	UNINSURED MOTORIST	AS STATED IN SECTION B OF THE POLICY
SECTION C LOSS OF OR DAMAGE TO OTHER AUTOMOBILES	SUB SEC. 1.	ALL PERILS	\$ 1,000.00
	2.	COLLISION OR UPSET	\$ 1,000.00
	3.	COMPREHENSIVE (excluding collision or upset)	\$ 1,000.00
	4.	SPECIFIED PERILS (excluding collision or upset)	\$ 1,000.00
} AMOUNT DEDUCTIBLE ON EACH SEPARATE CLAIM EXCEPT FOR LOSS OR DAMAGE BY FIRE OR LIGHTNING OR THEFT OF THE ENTIRE AUTOMOBILE.			
ENDORSEMENTS			

I/We agree to deliver or cause to be delivered to the lessor, within the 30 day period immediately following the date of the delivery of the automobile(s) to me/us, such insurance policy and any endorsements and certificates applicable thereto.

I/We agree to deliver or cause to be delivered to the lessor, within the 15 day period immediately following the expiry or termination date of such policy, written evidence of the renewal or replacement of such policy.

I/We further agree and acknowledge that, should I/We fail to comply with this Lessee's Insurance Undertaking, I/We shall reimburse the lessor for all amounts they would not otherwise be liable to pay.

 (Witness)

Susan M Lead
 (Lessee or authorized official of lessee)

 (Title of official of lessee)

Signed at HAMILTON

Date 09/09/2019



Questions? We're here to help.
support@carfax.ca
1.866.835.8612

ACKNOWLEDGEMENT AND RELEASE

I, the undersigned, have received a copy of a CARFAX Canada vehicle history report, a copy of which is attached to this document.

The particulars of the vehicle are as follows:

VIN: 1GCVKSEC2FZ223269

Make: CHEVROLET

Model: SILVERADO

Stock No:

Report Date: 2019-09-11

Report No: 25424163

I have read the report and understand its contents.

I hereby release Queenston on the Mountain (Chev) from any disclosure obligations with regard to the information contained in the report.

Dated this 9 day of 09, 19.

Customer's Signature: Suzanne McLeod

Customer's Name: S. McLeod



2260 Rymal Road East
Heritage Green RPO, P.O. Box 99051
Hamilton, Ontario L8J 2P7
(905) 528-7001 · Fax: (905) 692-2597
Website: www.queenstonchev.com

Date: 11 Sep 2019
Deal#: 112456
Client#: 790434

TO: ARTHUR J GALLAGHER
FROM: MARTY MUIS

DEAR SIR: RE:2015 CHEVROLET SILVERADO 1GCVKSEC2FZ223269

QUEENSTON CHEVROLET BUICK GMC is leasing the above vehicle to ALLIED TRACK SERVICES INC. .
Before we can release this vehicle to our mutual client, we will require a Certificate of Insurance
from your office confirming that the following coverage is in place on 09 Sep 2019.

Name Insured	- ALLIED TRACK SERVICES INC.
Customer Address	- 169A SOUTH SERVICE RD GRIMSBY ON L0R 1N0
Lessor	- SETAY MOTORS INC.
Third Party Liability	- \$1,000,000 Minimum Limit
Direct Compensation	- \$1,000 Maximum Deductible
Comprehensive	- \$1,000 Maximum Deductible - Full value
Collision	- \$1,000 Maximum Deductible - Full value
<u>O.P.C.F. 21A</u>	<u>- EXCLUDED</u>
O.P.C.F. 5A	- Permission to Rent or Lease included

Please confirm that our dealership is included on the policy as Lessor:
SETAY MOTORS INC.
2260 RYMAL ROAD EAST HAMILTON, ON L8J 2P7
Phone (905) 528 7001 Fax (905) 692-2597

Would you please Fax this certificate to my attention at (905) 692-2597 prior to 09 Sep 2019 .

Thank you for your prompt attention to this matter.

QUEENSTON CHEVROLET BUICK GMC

ALLIED TRACK SERVICES INC.

If you are unable to provide me with a Certificate of Insurance prior to 09 Sep 2019 would you please confirm that the above coverage is in place by signing below and returning this letter to me by FAX at (905) 692-2597?

The above coverage is in place _____
Insurance Company Name

_____ Broker Signature	_____ Policy Number	_____ Start date	_____ Expiry Date
Broker Name:			
PHONE NUMBER:			
FAX NUMBER:			

LEASE DELIVERY AND ACKNOWLEDGEMENT

In order to comply with the Consumer Protection Act and Ontario Motor Vehicle Industry Council regulations, we ask that you review the following and sign below acknowledging your understanding of the terms of your lease Contract # 112456

I am responsible for providing insurance and preventative maintenance and repairs on the vehicle. I am responsible for the cost of any damage to the vehicle (regardless of cause) and any related accelerated depreciation as a result thereof.

I authorize you (the lessor) to electronically withdraw any amounts due under this lease from my bank account as they become due.

I have guaranteed that the value of the vehicle on the Expiry Date will be at least \$ 280.40

Should I elect to purchase the vehicle on the Expiry Date, I understand that I will be responsible for the cost of obtaining a Safety Certificate and an Emissions Standards Certificate as well as any repairs necessary to obtain these certificates.

I acknowledge that you will be registering a lien on the vehicle under the Personal Property Security Act during the term of the lease in order to protect your interest in the vehicle. I waive any further notice of your lien registration.

In case of any concerns with this lease, I should first contact you (the lessor). If concerns persist, I may contact the Ontario Motor Vehicle Industry Council as the administrative authority designated for administering the Motor Vehicle Dealers Act, 2002.

I may be eligible for compensation from the Motor Vehicle Dealers Compensation Fund if I suffer a financial loss from this transaction and if you (the lessor) are unable or unwilling to make good on the loss.

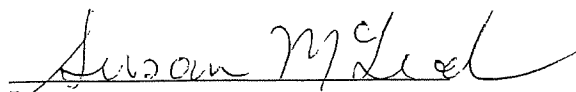
I may have additional rights at law and may contact:

Ontario Motor Vehicle Industry Council
789 Don Mills Road – Suite 800, Toronto, Ontario M3C 1T5
Call 416-226-4500 or 1-800-943-6002 or go to www.omvic.on.ca

I understand that a safety standards certificate is only an indication that the motor vehicle met certain basic standards of vehicle safety on the date of inspection.

The Canadian Motor Vehicle Arbitration Plan (CANVAP) may be available to resolve any disputes concerning alleged manufacturer's defects or implementation of the manufacturer's new motor vehicle warranty. Only vehicles less than 5 years old that have been driven less than 160,000 km qualify.

BMW, Mitsubishi and most exotic foreign sports car manufacturers do not participate in CANVAP. Consequently, CANVAP is unavailable to resolve any disputes for these makes of vehicle.


Lessee ALLIED TRACK SERVICES INC.

DATE 09/09/2019



2260 Rymal Road East
Heritage Green RPO, P.O. Box 99051
Hamilton, Ontario L8J 2P7
(905) 528-7001. Fax: (905) 692-2597
Website: www.queenstonchev.com

108
Deal#: 112456
Cust#: 790434
GST#: 104806120

LEASE AGREEMENT & DISCLOSURE STATEMENT

DAY	MONTH	YEAR
11	Sep	2019

I/WE (THE LESSEE) OFFER TO LEASE FROM THE ABOVE DEALER (THE LESSOR), THE FOLLOWING VEHICLE ON THE TERMS SET ON IN THIS CONTRACT, INCLUDING THE TERMS ON THE REVERSE. THIS ORDER IS NOT BINDING UNLESS ACCEPTED BY AN AUTHORIZED OFFICIAL OF THE DEALERSHIP.

LESSEE'S INFORMATION				VEHICLE INFORMATION					
NAME: ALLIED TRACK SERVICES INC.				YEAR: 2015	MAKE: CHEVROLET	MODEL: SILVERADO	TRIM LEVEL: H3B	COLOR: GAZ	STOCK #: L102375
ADDRESS: 169A SOUTH SERVICE RD				V.I.N. # (IF KNOWN): 1GCVKSE C2FZ223269					
CITY/TOWN: GRIMSBY		PROVINCE: ON	POSTAL CODE: L0R 1N0	DISTANCE TRAVELLED: <input checked="" type="checkbox"/> KMS <input type="checkbox"/> MILES		<input type="checkbox"/> DISTANCE UNKNOWN (if unknown check one of the following) <input type="checkbox"/> Vehicle had travelled _____ as of _____ <input type="checkbox"/> True distance travelled believed to be higher. <input type="checkbox"/> Actual distance travelled may be substantially higher than odometer reading.			
HOME TELEPHONE NO.: 905-769-1317		BUSINESS TELEPHONE NO.: 905-769-1317		2 1 0 2 1 3					
DRIVER'S LICENCE NO.: 2		EXPIRY DATE:		NEW VEHICLE: <input type="checkbox"/>	USED (DEMD): <input checked="" type="checkbox"/>	DAILY RENTAL: <input type="checkbox"/>	MFR'S WARRANTY IN-SERVICE DATE:		DELIVERY DATE: 09Sep19
E-MAIL ADDRESS: DARREN.HOWES@ALLIEDTRACK.CA				SAFETY CERTIFICATE #2: <input checked="" type="checkbox"/> YES IF USED VEHICLE <input type="checkbox"/> NO IF NEW VEHICLE					
INSURANCE INFORMATION				LEASE DISCLOSURE			LEASE TERMS		
NAME OF INSURANCE COMPANY:				VEHICLE LEASE VALUE: \$ 19450.00	VEHICLE LEASE VALUE: 19450.00				
POLICY NO.: CAP047620856 EXPIRY DATE: 05/30/2020				CAPITALIZED COST: \$ 19514.85					
INSURANCE AGENT & PHONE NO.: 416/260-5333				ANNUAL PERCENT RATE: 5.99000 %					
VEHICLE TO BE TRADED-IN				IMPLICIT FINANCE CHARGE: \$ 1154.75					
YEAR:	MAKE:	MODEL:	TRIM LEVEL:	LEASE PAYMENT PER MONTH: \$ 849.55					
V.I.N. # (Details of trade-in see attached Appraisal Form)				TOTAL COST OF LEASE: \$ 23356.61					
EXACT DISTANCE THAT THE VEHICLE HAS TRAVELLED				PST ON EACH PAYMENT PER MONTH: \$					
				HST ON EACH PAYMENT PER MONTH: \$ 110.44				OMVIC FEE: 10.00	
				TOTAL PAYMENT PER MONTH: \$ 959.99					
IS THERE A LIEN AGAINST THIS VEHICLE? <input type="checkbox"/> YES <input type="checkbox"/> NO				TOTAL NUMBER OF MONTHS: 24					
I.S.T. NON REGISTRANT: <input checked="" type="checkbox"/>				EACH PAYMENT IS DUE ON THE 1st OF EACH MONTH					
I.S.T. REGISTRANT/REGISTRATION #:				RESIDUAL VALUE: \$ 280.40					
				Vehicle Disclosure Statement Attached <input type="checkbox"/> YES <input type="checkbox"/> NO					
GUARANTEED RESIDUAL VALUE (open)				DUE ON DELIVERY					
(Normal Termination see paragraph 11 on reverse)				FIRST MONTH PAYMENT: 959.99					
I, the Lessee, guarantee that the vehicle will have a value of at least \$ 280.40 at the Expiry Date. In the event that the Realized Value of the Vehicle at Termination is less than \$ 280.40 I agree to immediately pay any deficiency (plus applicable taxes) to you the lessor.				DEFER FIRST MONTH PAYMENT: -959.99					
KILOMETERS AT DELIVERY: 210,213									
KILOMETERS ALLOWED DURING TERM: 48,000									
MAXIMUM ALLOWABLE KILOMETERS: 258,213									
EXCESS KILOMETER RATE: \$0.12 per km									
I agree that an EXCESS KILOMETER CHARGE at the rate of 12 cents for each kilometer over 258,213 that is on the vehicle odometer at the Expiry Date will be included as EXCESS WEAR & TEAR for purposes of calculating any balance due to you at the Expiry Date of this lease.									
Lessee: <i>[Signature]</i>									
ALLIED TRACK SERVICES INC.									
MANUFACTURER PARTICIPATES IN CANADIAN MOTOR VEHICLE ARBITRATION PLAN (CAMVAP) <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO									
PRIVACY STATEMENT									
By signing this contract you consent to the Lessor contacting you in the future and to the sharing of information with associated businesses so that they may provide you with timely information about their services. You may withdraw your consent in writing at any time.									
SALESPERSON SIGNATURE				TOTAL DUE ON DELIVERY: 0.00			CAPITALIZED COST: 19514.85		
SALESPERSON'S NAME (PLEASE PRINT): MARTY MUIS		REGISTRATION NO.: 1505770		LESSEE'S ACCEPTANCE					
LESSEE'S OFFER: By signing this form I have made an offer to lease the vehicle described above ("the Vehicle"). I understand that this offer becomes a binding contract between the Lessor and me when it is accepted by the signature of an authorized official of the Lessor.									
LESSOR'S ACCEPTANCE				ACKNOWLEDGEMENT OF TERMS: I acknowledge having read all terms of the contract, including those on the reverse. I understand that they form part of this agreement. I also agree that no verbal promises have been made to me by the Lessor or its employees. I agree that the written terms contained in this contract make up the entire agreement.					
DEALER REGISTRATION NO.: 5113766		NAME OF OFFICIAL (PLEASE PRINT): CHRISTIE HEFFERNAN		Lessee's Signature: <i>[Signature]</i> Co-Signer (if any):					
ACCEPTOR'S REGISTRATION NO.: 4816880		TITLE: Business Manager		ALLIED TRACK SERVICES INC.					
DATE: 09/11/2019		<i>[Signature]</i>		TERMS ON BACK FORM PART OF THIS CONTRACT					



VERIFIED VEHICLE HISTORY REPORT

VEHICLE DETAILS:

VIN: 1GCVKSEC2FZ223269
 Year/Make/Model: 2015 CHEVROLET SILVERADO K1500 LTZ
 Body Style: PICKUP
 Country of Assembly: United States
 Cylinders: 8
 Fuel Type: Gas

REPORT DETAILS:

Report Number: 25424163
 Report Date: 9/11/2019 01:00 PM EST
 Report Status: Complete
 Reference:

REPORT SUMMARY

	Accidents / Damage:	No damage records found
	Lien Records:	Lien records found
	Canadian Registration:	Ontario (Normal)
	Stolen Status:	Not actively declared stolen
	U.S. History:	No U.S. history found
	Recalls:	1 recall notice(s) found
	Service History:	14 record(s) found

QUESTIONS?

WE'RE HERE TO HELP.

CALL
1.866.835.8612

EMAIL
SUPPORT@CARFAX.CA

Report Findings in Chronological Order

Below are all records for the vehicle, listed in the order that they occurred.

Date	Location	Data Source	Type of Record	Detail	Odometer
03/13/2015	Ontario, Canada	Motor Vehicle Dept.	Canadian Renewal	Registration Issued or Renewed	
03/13/2015	Ontario, Canada	Motor Vehicle Dept.	Canadian Renewal	First Owner Reported	
07/15/2015	Ontario, Canada	Motor Vehicle Dept.	Canadian Renewal	Registration Issued or Renewed	
07/15/2015	Ontario, Canada	Motor Vehicle Dept.	Previous use	Commercial	
11/25/2015	Grimsby, Ontario, Canada	Wills Chevrolet Buick GMC	Service Record	Vehicle serviced	31,841 KM
01/25/2016	Grimsby, Ontario, Canada	Wills Chevrolet Buick GMC	Service Record	Vehicle serviced	41,346 KM
03/01/2016	Ontario, Canada	Motor Vehicle Dept.	Canadian Renewal	Registration Issued or Renewed	
03/01/2016	Ontario, Canada	Motor Vehicle Dept.	Previous use	Commercial	
07/12/2016	Grimsby, Ontario, Canada	Wills Chevrolet Buick GMC	Service Record	Vehicle serviced	54,702 KM
09/15/2016	Grimsby, Ontario, Canada	Wills Chevrolet Buick GMC	Service Record	Vehicle serviced	69,501 KM
11/18/2016	Grimsby, Ontario, Canada	Wills Chevrolet Buick GMC	Service Record	Vehicle serviced	83,176 KM
03/01/2017	Ontario, Canada	Motor Vehicle Dept.	Canadian Renewal	Registration Issued or Renewed	
03/01/2017	Ontario, Canada	Motor Vehicle Dept.	Previous use	Commercial	
03/28/2017	Grimsby, Ontario, Canada	Wills Chevrolet Buick GMC	Service Record	Vehicle serviced	94,786 KM

Date	Location	Data Source	Type of Record	Detail	Odometer
10/02/2017	Grimsby, Ontario, Canada	Wills Chevrolet Buick GMC	Service Record	Vehicle serviced	116,640 KM
01/31/2018	Grimsby, Ontario, Canada	Wills Chevrolet Buick GMC	Service Record	Vehicle serviced	128,093 KM
03/01/2018	Ontario, Canada	Motor Vehicle Dept.	Canadian Renewal	Registration Issued or Renewed	
03/01/2018	Ontario, Canada	Motor Vehicle Dept.	Previous use	Commercial	
03/28/2018	Grimsby, Ontario, Canada	Wills Chevrolet Buick GMC	Service Record	Vehicle serviced	137,077 KM
05/10/2018	Grimsby, Ontario, Canada	Wills Chevrolet Buick GMC	Service Record	Vehicle serviced	146,729 KM
08/24/2018	North Bay, Ontario, Canada	Jiffy Lube #3484	Service Record	Vehicle serviced	166,219 KM
12/17/2018	Grimsby, Ontario, Canada	Wills Chevrolet Buick GMC	Service Record	Vehicle serviced	183,039 KM
03/01/2019	Ontario, Canada	Motor Vehicle Dept.	Canadian Renewal	Registration Issued or Renewed	
03/01/2019	Ontario, Canada	Motor Vehicle Dept.	Previous use	Commercial	
03/14/2019	North Bay, Ontario, Canada	Jiffy Lube #3484	Service Record	Vehicle serviced	188,935 KM
05/09/2019	North Bay, Ontario, Canada	Jiffy Lube #3484	Service Record	Vehicle serviced	194,900 KM
06/27/2019		CHEVROLET	Recall	Manufacturer Recall Issued Recall # N192217410	

Accident, Collision and Damage Detail

If the vehicle has had any history of accidents, collisions or damage in either Canada or the U.S., the records are outlined in this section.

VIN: 1GCVKSEC2FZ223269

Police Reported Accidents

Incident Date	Location	Detail
No police reported accidents found		

Accident/Damage Estimates

Accident estimate records are generated by collision estimating facilities from the process of estimating the amount and extent of damage to a vehicle. Estimates in some cases have associated insurance claims.

Incident Date	Location	Estimate Date	Type of Record	Detail	Amount	Odometer
No estimates found						

Insurance Claims

The insurance claims identified in this report do not include any medical pay-outs, damage to other vehicles, damage to property, towing, rental cars, or any other incidental damages.

Incident Date	Location	Type of Claim	Detail	Amount	Odometer
No claims found					

Other Damage Records

Record Date	Location	Type of Record	Detail	Odometer
No other damage records found				

Lien Status

This section lists the provinces and territories where we searched for or found a security interest registered against the vehicle (lien). If a lien is found, further details will appear at the end of the report.

Province	Lien
Ontario	LIEN FOUND



CARFAX Canada Canadian Lien Guarantee

Our search results accurately reflect the government records of each personal property and security registry in Canada that is searched at the time the search request is made. If for some reason our search report fails to accurately reflect the Canadian enforceable lien status of a vehicle at the time of the search, CARFAX Canada will reimburse the party that purchased the report

and relied on it to their detriment to a maximum amount of (1) the value of the car (2) the value of the lien (3) Five Thousand Dollars Canadian (\$5,000.00), whichever is lower.

Canadian Registration

This section details where in Canada the vehicle is now or has ever been registered, as well as the status (Inspection Required, Normal, Non-repairable, Rebuilt, Salvage, Stolen) of the vehicle in those jurisdictions.

Jurisdiction	Branding	Detail
Alberta	Not found	
British Columbia	Not found	
Manitoba	Not found	
New Brunswick	Not found	
Newfoundland	Not found	
Nova Scotia	Not found	
Northwest Territories	Not found	
Nunavut	Not found	
Ontario	NORMAL	This vehicle has been registered as Normal in this jurisdiction.
Prince Edward Island	Not found	
Quebec	Not found	
Saskatchewan	Not found	
Yukon Territories	Not found	

Stolen Vehicle Check

This section outlines data from the Canadian Police Information Centre (CPIC), which is operated by the RCMP under the stewardship of National Police Services, on behalf of the Canadian law enforcement community.

Stolen Vehicle Check
Not declared stolen.

Import Records

If the vehicle has been imported, you will find the details below.

Import Records
No vehicle import records found

United States Vehicle History

In addition to information about the vehicle's history in Canada, CARFAX Canada also searches for information about the vehicle's history in the United States. If we discover any events in the U.S., you will find them below. Details about accidents, collisions and damage, or any import records will appear in the preceding sections of your report.

U.S. History Records
No U.S. history records found

Recalls

Recall # N192217410
Recall Date: 6/27/2019
Reduction In Vacuum Brake Assist Canada Only















Recall Description:
General Motors has approved a safety recall in Canada for certain 2017 model year Chevrolet Silverado LD, GMC Sierra LD, Cadillac Escalade, Chevrolet Suburban, Chevrolet Tahoe, and GMC Yukon vehicles, that, in some circumstances, may have a condition in which the engine-mounted mechanical vacuum pump output may decrease over time, decreasing the amount of vacuum/power brake assist. If the vacuum level drops, customers may experience increased brake pedal effort, hard brake pedal, and/or potentially increased stopping distance. The Drivers Information Centre (DIC) Service brake assist alert will activate 2-5 minutes after the vacuum level drops, and a Diagnostic Trouble Code (DTC) will also be set. Even where this condition occurs, the hydraulic brake system remains functional. The condition is more prevalent at low speed when softly applying the brakes. Failure to follow recommended oil change intervals could contribute to this condition.

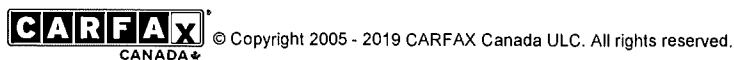
Remedy
Dealers are to reprogram the electronic brake control module (EBCM).

This recall was open as of the date/time that this report was generated. For more information, or to find out if the recall has been closed, please contact CHEVROLET or visit GM's website.

Service History

These are records of service performed on the vehicle. These are the records reported to CARFAX Canada when this report was run – it is possible that service has occurred that is not captured here.

Date	Address	Data Source	Type of Record	Detail	Odometer
11/25/2015	 Grimsby, Ontario, Canada	Wills Chevrolet Buick GMC	Service Record	Vehicle serviced Front brakes serviced Tires rotated Oil and filter changed	31,841 KM
01/25/2016	 Grimsby, Ontario, Canada	Wills Chevrolet Buick GMC	Service Record	Vehicle serviced Oil and filter changed Throttle body cleaned/serviced Tires rotated	41,346 KM
07/12/2016	 Grimsby, Ontario, Canada	Wills Chevrolet Buick GMC	Service Record	Vehicle serviced Oil and filter changed Tires rotated Wiper(s) replaced	54,702 KM
09/15/2016	 Grimsby, Ontario, Canada	Wills Chevrolet Buick GMC	Service Record	Vehicle serviced Oil and filter changed Tires rotated	69,501 KM
11/18/2016	 Grimsby, Ontario, Canada	Wills Chevrolet Buick GMC	Service Record	Vehicle serviced Air filter replaced Oil and filter changed Cabin air filter replaced/cleaned Front brakes serviced Transmission serviced	83,176 KM
03/28/2017	 Grimsby, Ontario, Canada	Wills Chevrolet Buick GMC	Service Record	Vehicle serviced	94,786 KM
10/02/2017	 Grimsby, Ontario, Canada	Wills Chevrolet Buick GMC	Service Record	Vehicle serviced Oil and filter changed	116,640 KM
01/31/2018	 Grimsby, Ontario, Canada	Wills Chevrolet Buick GMC	Service Record	Vehicle serviced Oil and filter changed Cabin air filter replaced/cleaned Wiper(s) replaced	128,093 KM
03/28/2018	 Grimsby, Ontario, Canada	Wills Chevrolet Buick GMC	Service Record	Vehicle serviced Oil and filter changed	137,077 KM
05/10/2018	 Grimsby, Ontario, Canada	Wills Chevrolet Buick GMC	Service Record	Vehicle serviced Oil and filter changed Front brakes serviced Tires rotated	146,729 KM
08/24/2018	 North Bay, Ontario, Canada	Jiffy Lube #3484	Service Record	Vehicle serviced Maintenance inspection completed Fluids checked Oil and filter changed	166,219 KM
12/17/2018	 Grimsby, Ontario, Canada	Wills Chevrolet Buick GMC	Service Record	Vehicle serviced Maintenance inspection completed Oil and filter changed Tires rotated Engine oil cooler line(s) repaired/replaced Transmission cooler line(s) repaired/replaced Rear brake pads replaced Rear brake rotor(s) replaced	183,039 KM
03/14/2019	 North Bay, Ontario, Canada	Jiffy Lube #3484	Service Record	Vehicle serviced Maintenance inspection completed Fluids checked Oil and filter changed Antifreeze/coolant checked	188,935 KM
05/09/2019	 North Bay, Ontario, Canada	Jiffy Lube #3484	Service Record	Vehicle serviced Maintenance inspection completed Fluids checked Oil and filter changed	194,900 KM




Information on Reports

This vehicle history report is compiled from multiple data sources. It is not always possible for CARFAX Canada ULC or its source data providers to obtain complete information on any one vehicle. For example, there may be other title brands, registrations, declarations, accident information, service records, recall information, odometer readings or other information where discrepancies that apply to this vehicle are not reflected in this report. CARFAX Canada and its source data providers receive data and information from external sources believed to be reliable, but no responsibility is assumed by CARFAX Canada, its source data providers or its agents for any errors, inaccuracies or omissions. The reports are

Conditions of Use

provided strictly on an as-is where-is basis, and CARFAX Canada and its source data providers further expressly disclaim all warranties, express or implied, including any warranties of timeliness, accuracy, merchantability, merchantable quality or fitness for a particular purpose regarding this report or its contents. Neither CARFAX Canada nor any of its source data providers shall be liable for any losses, expenses or damages in connection with any report or any information contained within a report, including the accuracy thereof or any delay or failure to provide a report or any information. By obtaining, reviewing and/or using this vehicle history report, you agree to be bound by all of the terms and conditions in CARFAX Canada's Conditions of Use and any CARFAX Canada End User License Agreements as each may be amended from time to time by CARFAX Canada.

 Please note CARPROOF recently changed its name to CARFAX Canada!

Appendix “G”

AGREEMENT

THIS AGREEMENT is entered into this 17th day of March, 2021,

BETWEEN:

Allied Track Services Inc. a corporation incorporated pursuant to the laws of Ontario (the "**Lessee**")

- and -

LMS Rail Services Limited (trading as LMS Rail Equipment Services), a corporation incorporated pursuant to the laws of Ontario (the "**Lessor**")

WHEREAS, pursuant to a Notice of Intention to Make a Proposal filed January 21, 2021 (the "**Filing Date**"), the Lessee commenced proceedings pursuant to the *Bankruptcy and Insolvency Act* (the "**Proposal Proceedings**") and KSV Restructuring Inc. was appointed as Proposal Trustee (the "**Proposal Trustee**");

AND WHEREAS, pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated January 22, 2021 (the "**Extension Order**"), the time within which the Lessee may make a proposal was extended to and including April 6, 2021;

AND WHEREAS, pursuant to the Extension Order, the Lessee, with the consent of the Proposal Trustee and Bridging Finance Inc., as DIP Lender, is entitled to pay amounts owing for goods and services supplied to the Lessee prior to the date of the Filing Date;

AND WHEREAS, further to the Equipment Lease Agreement dated as of August 1, 2016 between the Lessee and Lessor (the "**ELA**") the Lessor and Lessee have entered into a series of equipment leases pursuant to which the Lessee leases certain equipment from the Lessor (collectively, the "**Current Leases**");

AND WHEREAS, in connection with supplies duly delivered by the Lessor to the Lessee prior to the Filing Date, as at the Filing Date, an amount of \$423,632.06 (inclusive of HST) (the "**Pre-Filing Amount**") is owed by the Lessee to the Lessor;

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. CONFIRMATION OF RECITALS

The Lessor and Lessee confirm that the recitals set out above are accurate in all material respects and form an integral part of this Agreement.

- 2 -

2. REPAYMENT OF CERTAIN PRE-FILING AMOUNTS AND FORGIVENESS OF REMAINDER

The Lessee shall repay certain of the Pre-Filing Amounts to the Lessor as follows:

- (a) As to the amount of \$[137,635.95], within three (3) business days of the execution of this Agreement by wire transfer of immediately available funds; and
- (b) As to the balance of the Pre-Filing Amount, being \$[285,996.11], in four monthly equal installments of \$[71,499.03], such amounts to be due and payable on April 1, May 3, June 1, and July 1, all 2021.

The Lessor agrees that no interest shall be paid or payable on the Pre-Filing Amounts, and any liability for interest on unpaid amounts shall be and is hereby forgiven, extinguished, excused and otherwise cancelled, and the Lessee is released and forever discharged from all liability in respect of such amounts without the need for any further action.

3. PAYMENT FOR POST-FILING SUPPLY

Within three (3) business days of the execution of this Agreement, the Lessee shall pay the Lessor the current owed amount of \$77,599.48 for lease payments payable under the Current Leases for the period from the Filing Date to and including March 15, 2021 by wire transfer of immediately available funds, subsequent amounts that become due for this period will be paid in accordance with the terms of the lease.

4. SUCCESSOR OWNER TERMS

- (a) In the event that a transaction is culminated within the Proposal Proceedings whereby substantially all of the Lessee's assets, property and operations are acquired pursuant to a definitive transaction agreement approved by the Court (such transaction, a "**Transaction**", and any such purchaser, a "**Successor Owner**"), then, conditional upon the completion of such Transaction, the Lessor hereby consents to the assignment of the ELA and the Current Leases and this Agreement to the Successor Owner without the need for any further action.
- (b) The Lessee or Successor Owner, as the case may be, shall provide notice to the Lessor of the completion of a Transaction, along with contact information for the Successor Owner.
- (c) The Lessor shall provide a discount on all Current Leases having a term of two or more years (as described in Schedule "A" hereto, collectively, the "**Current Long Term Leases**") and future leases having a term of two or more years ("**Future Long Term Leases**") on the following terms. Effective upon the closing of the Transaction, and on the condition that the Successor Owner remains in good standing on amounts owing to the Lessor from time to time, the rental rates payable under all Current Long Term Leases shall be discounted at a rate of 2% on the prices set out in Schedule "A" hereto for each respective Current Long Term Lease, and such discount shall remain in place until the expiry or termination of such

- 3 -

Current Long Term Lease. Future Long Term Leases entered into between Lessee and Lessor or Successor Owner, as the case may be, shall also be at a discount of 2% off Current Lease rates for the same or substantially similar equipment.

5. PROPOSAL PROCEEDINGS

- (a) The Lessor acknowledges that this Agreement is a post-filing agreement entered into following the commencement of the Proposal Proceedings. The Lessee will not seek to disclaim this Agreement without the Lessor's consent.
- (b) The Lessor covenants and agrees to continue to supply to the Lessee in the ordinary course throughout the pendency of the Proposal Proceedings, provided that the Lessee shall be obligated to maintain the Current Leases in good standing in accordance with their terms.
- (c) The Lessee covenants and agrees that this Agreement shall be disclosed to any potential Successor Owner and included as a purchased asset in any Transaction completed in connection with the Proposal Proceedings such that it shall be a binding obligation of any Successor Owner upon the completion of such Transaction.
- (d) For greater certainty, the Lessee covenants and agrees that the payment obligations set forth in this Agreement shall survive, and shall not be extinguished or compromised by, any transaction or proposal approved in these Proposal Proceedings or any plan filed under the *Companies' Creditors Arrangement Act*, and except as contemplated herein, the Lessor shall be treated as unaffected in any proposal or plan or other restructuring with respect to all obligations outstanding to the Lessor. The Lessee covenants and agrees that it will not file a proposal or plan in these proceedings or proceed with any other restructuring or transaction, including a Transaction, that does not provide for the payment in full of the obligations set forth herein.

6. MISCELLANEOUS

- (a) The Lessor covenants and agrees to keep the terms of this Agreement and the existence of this Agreement confidential, except as may be required to comply with applicable laws.
- (b) The Lessee represents and warrants that the Proposal Trustee and DIP Lender (as such term is defined in the Extension Order) have consented to the Lessee entering into this Agreement and making the payments contemplated in Section 2 herein, all in accordance with paragraph 28 of the Extension Order.
- (c) Any notices required or permitted to be given hereunder shall be in writing and shall be effectively given by delivering same by courier or delivering same by email or other similar form of electronic communication, addressed:
 - (i) If to the Lessee at:

- 4 -

Allied Track Services Inc.
169A South Service Road
Grimsby, ON L3M 4H6

Attention: Andy Jones (andy.jones@alliedtrack.ca)

(ii) If to the Lessor at:

LMS Rail Services
1304 Front Street
Hearst, ON P0L 1N0

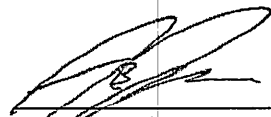
Attention: Sylvain Couture (sc@lmsford.com)

- (d) If to the Successor Owner, at an address to be provided by written notice upon the completion of the Transaction in accordance with Section 4(b).
- (e) All payments contemplated to be made pursuant to this Agreement shall be made by cheque or wire transfer of immediately available funds to an account to be identified by the Lessor.
- (f) All dollar amounts set out in this Agreement refer to Canadian dollars, unless otherwise indicated.
- (g) This Agreement shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (h) This Agreement may be executed in several counterparts, each of which, when so executed shall be deemed to be an original and which counterparts, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

ALLIED TRACK SERVICES INC.

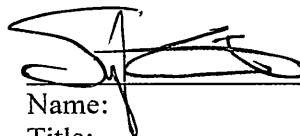
By:



Name: Andy Jones
Title: CEO

LMS RAIL SERVICES

By:



Name:
Title:

SCHEDULE "A"
CURRENT LONG TERM LEASES

<u>Lease ID #</u>	<u>Current Rate</u>	<u>2% Discount Rate</u>
R51	\$2,180.00	2,135.00
R75	\$2,000.00	1,960.00
R76	\$2,000.00	1,960.00
R77	\$2,000.00	1,960.00
R78	\$2,000.00	1,960.00
R79	\$2,000.00	1,960.00
R80	\$2,000.00	1,960.00
R81	\$2,000.00	1,960.00
R82	\$2,000.00	1,960.00
R83	\$2,000.00	1,960.00
R84	\$2,000.00	1,960.00
R97	\$2,000.00	1,960.00
R98	\$2,000.00	1,960.00
R99	\$2,000.00	1,960.00
R100	\$2,000.00	1,960.00
R102	\$2,000.00	1,960.00
R103	\$2,000.00	1,960.00
R104	\$2,000.00	1,960.00
R105	\$2,000.00	1,960.00
R106	\$2,000.00	1,960.00
R110	\$2,175.00	2,130.00
R111	\$2,175.00	2,130.00
R112	\$2,175.00	2,130.00
R113	\$2,175.00	2,130.00
R128	\$5,500.00	5,390.00
R133	\$2,000.00	1,960.00
R138	\$3,000.00	2,940.00
R161		2,175.00
R171		2,175.00

EQUIPMENT LEASE AGREEMENT

This equipment lease agreement (the "Lease") made and effective on this 1st day of August , 2016 (the "Effective Date").

Between:

LMS Rail Services Limited
Trading as LMS Rail Equipment Services
1304 Front St, P.O. Box 607
Hearst, Ont.
P0L 1N0

("Lessor")

And

Allied Track Services
169A South Service Road
Grimsby, Ontario
L3M 4H6

("Lessee")

TERMS AND CONDITIONS

1. EQUIPMENT

The Lessee agrees to lease from the Lessor the equipment listed on the "Equipment Lease Agreement" set forth in Schedule "A" (herein after referred to as "the Agreement") together with any accessories incorporated therein and/or affixed thereto, hereinafter collectively called the Equipment.

2. TERM

This Lease shall be effective for a period of 48 months from the Effective Date (the "Term"). It is understood and agreed by the parties hereto that the lease period of each piece of equipment, if any, is set forth on the agreement.

3. TERMINATION

Should either party breach any of its obligations under this Lease, the other party may terminate the Lease (including any Agreement) effective fifteen (15) business days following notice from the non-defaulting party if the non-performance has not been cured within such period and without prejudice to damages that could be claimed by the non-defaulting party. Either party may terminate the Lease if the other party becomes unable to pay its debts in the ordinary course of business; goes into liquidation (other than for the purpose of a genuine amalgamation or restructuring); has a receiver appointed over all or part of its assets; enters into a composition or voluntary arrangement with its creditors; or any similar event occurs in any jurisdiction, all to the extent permitted by law.

Lessee may also terminate the Lease for convenience within thirty (30) business days subject to its obligation to make payment for the rental up to the date of termination.

4. RENTAL

The Lessee agrees to pay the rent for the term of the Agreement in consecutive payments in the amounts shown on page one of Schedule "B" – Equipment Lease Agreement. Rental shall be payable to the Lessor commencing on the date of delivery unless agreed to otherwise in writing. Notwithstanding the expiration of the Term, the Lessee will continue to be responsible for the rental for the rental payments until the Equipment is returned to the Lessor. Rental payments under the terms and conditions of this Lease are due on the first day of each month. If payment is not received at the Lessor's office within fourteen (14) days of being due, it shall constitute an event or default, and the Lessor may remove the equipment from the Lessee's property.

5. WARRANTY

The Lessee has selected the Equipment of the type and quantity described on the agreement. The Lessor makes no warranty to the Lessee and expressly disclaims any warranty either express or implied, regarding the Equipment except that the Equipment shall be in good condition and working order at the time of delivery.

6. LESSEE'S INSPECTION AND ACCEPTANCE

The Lessee shall inspect the Equipment upon its arrival and shall with forty-eight (48) hours thereafter (Saturdays, Sundays and holidays excepted) give the Lessor telephone notice of any Equipment defects. Upon receipt of such notice, the Lessor shall, at its option, either repair or replace any defective Equipment.

7. MAJOR REPAIRS

Lessor shall be responsible to complete and pay for all major repairs resulting from major components failure (such as engine or transmission) ("Major Repairs"), unless such failure is the result of Lessee's neglect or lack of maintenance. In the event that Lessee is obligated to complete any Major Repairs in the case of an emergency, or to ensure continued use of the Equipment, Lessor shall reimburse Lessee for all reasonable and actual costs incurred by Lessee for such repairs.

Prior written consent is required from Lessor before repairs are initiated, such consent not to be unreasonably withheld.

8. TRANSPORTATION

The Lessee shall choose the method of, and pay for, the shipment of the Equipment from the point of origin; however, arrangements for shipment shall be provided by the Lessor. The Lessee shall arrange for and pay the cost of unloading the Equipment upon arrival. The Lessee shall arrange and pay the cost of loading, securing and shipping the Equipment to the point of return.

9. INSTALLATION, USE, MAINTENANCE AND REPAIR

The Lessor shall not have any obligation to install, erect, test, adjust, or service the Equipment throughout the Term of this lease.

The Lessee, at its own cost and expense, shall:

- a) Pay all charges in connection with the unloading and loading, installation, operation and storage of the Equipment.
- b) Make regular preventative maintenance inspection of the Equipment and shall service, repair and maintain (subject to Section 7 hereof) the Equipment in good operating condition and in compliance with the laws of the province or provinces in which the Equipment is located, and with any applicable provincial or federal regulations.
- c) furnish the tires, tracks, tubes, motor oils, fuel, lubricants, and other operating parts, all expendable items such as, but not limited to, scarifier teeth, broom hoses, wire ropes and cables, wear blades, and tamping tools; together with all supplies necessary for the proper and efficient operation of the Equipment.
- d) Use and operate the Equipment only in the normal and ordinary course of the Lessee's business.
- e) Cause the Equipment to be operated only by a safe, carefully selected, properly trained and legally licensed operator, who shall be an employee or agent of the Lessee and subject to the Lessee's exclusive direction and control. No persons other than the Lessee's agents or employees engaged in their regular duties shall be carried in or on the Equipment and at no time will any person be carried in or on the Equipment while the Equipment is being pulled by any other vehicle.
- f) Comply with all applicable laws, ordinances, regulations, requirements, and rules with respect to the use, maintenance, and operation of the Equipment.
- g) Take good and proper care of the Equipment and make all repairs and replacements (subject to Section 7 hereof) necessary to maintain, preserve, and keep the Equipment in good condition and working order. (The Lessee shall not, however, make any alterations, additions or improvements to the Equipment without the prior written consent of the Lessor.) All repairs, replacements, parts, devices, accessories, and improvements of whatsoever kind of nature furnished or affixed to the Equipment shall belong to and become part of the property of the Lessor.

10. INSURANCE AND INDEMNITY

The Lessee assumes the entire risk of loss, theft, or damage to the Equipment, and no such loss, theft, or damage shall relieve the Lessee of its obligations under this Lease Agreement. The Lessee agrees to and does hereby indemnify from, and against all claims, costs, expenses, damages, and liabilities, including reasonable attorney's fees, resulting from or incidental to the use, operation, or storage of the Equipment during the Term from third parties claims. The Lessee agrees to carry public liability and property damage insurance for Equipment listed in attached "Schedule A – Equipment Lease Agreement" in such amounts as set forth in Section 25 below.

Neither party will be liable to the other party for consequential, indirect or punitive damages for any cause of action, whether in contract, tort or otherwise. Consequential damages include, but are not limited to, lost profits, lost revenues and lost business opportunities, whether the other party was or should have been aware of the possibility of these damages, including any damages arising from loss of use or delay or disruption services.

11. LOSS, THEFT, OR DAMAGE

In the event of loss, theft, or damage to the Equipment in whole or in part, the Lessee shall promptly so notify the Lessor and the Lessee, at the Lessee's option shall:

- a) place the Equipment in good condition and working order, or
- b) if the Lessee determines that any Equipment is beyond repair, pay to the Lessor, within ten (10) days such notification, the loss value thereof which shall be an amount equal to the sum of:
 - i) All rents and other amount due and owing under the Lease and Agreement at the time of such loss, theft, or damage, plus;
 - ii) The fair market value of the Equipment as shown on page one of Schedule "A" – Equipment Lease Agreement can be revised at the time of total loss to an amount agreed to by both parties. A third party chosen by both Lessor and Lessee can establish a binding fair market value. Upon such payment, the Lease shall terminate with respect to the item of Equipment so paid for and the Lessee shall thereupon become the owner thereof.

12. OWNERSHIP AND CONTROL

The Equipment shall all times remain the property of the Lessor and the Lessee shall have no right or property interest therein, but only the right to use same under the lease. The Lessor shall have the right to display notice of its ownership by affixing to the Equipment an identifying plate, stencil, or other indicia of ownership. The Lessee shall not part with possession of control of the Equipment without the prior written consent of the Lessor. The Lessor shall have the right to inspect the Equipment during the Lessee's normal business hours.

13. ADDITIONAL RENT

When Lessor is obligated to pay fines, tickets or levies resulting from use of the Equipment by Lessee, the Lessor will add these charges to the following month's rental charges.

14. LATE CHARGES

If the Lessee fails to pay the rental or any other charges within forty (30) days from the invoice date, then the Lessor may impose a late charge on the unpaid balance at the rate of one and one half percent (1½%) per month or the maximum rate provided by law, whichever is less.

15. ENCUMBRANCES

The Lessee shall keep the Equipment free and clear of all levies, liens, claims, and encumbrances.

16. RETURN OF EQUIPMENT

Upon the termination of this Lease, whether by expiration of the Term or otherwise, the Lessee, at its own expense, will return the Equipment to the Lessor at the Point of Return or to other such party of place as the Lessor may designate in writing; provided however, that the shipping costs to the Lessee shall not exceed the cost to the Point of Return. If the Lessee fails or refuses to so return and deliver the Equipment, the Lessor shall have the right, without notice of demand, to enter the premises where the Equipment may be found, forcibly if necessary and take possession of and remove the Equipment without legal process. Upon return, as aforesaid, the Equipment will be in the same condition as when delivered to the Lessee, normal wear and tear excepted, and in good condition and working order.

17. ASSIGNMENT

The Lessee shall not assign, transfer, pledge, hypothecate, or otherwise dispose of this lease or any interest herein or subject or lend the Equipment or permit it to be used by anyone other than the Lessee and Lessee's employees, without prior written consent.

18. DEFAULT

Any of the following events or conditions shall constitute a default of a party under this Lease:

- a) default in the payment of rent or any other sums due hereunder for a period of fourteen (14) days after the same become due;
- b) any other breach of terms and conditions of this Lease;
- c) if any writ or order of attachment, execution, or other legal process against a party is levied on any or all Equipment and is not released or satisfied with ten (10) days;
- d) the institution of a proceeding in bankruptcy, receivership, or insolvency against or by a party or if a party shall enter into an arrangement with its creditors;

19. REMEDIES

The non-defaulting party may terminate the Lease effective ten (10) business days following notice from the non-defaulting party if the non-performance has not been cured within such period and without prejudice to damages that could be claimed by the non-defaulting party. Either Party may terminate the Lease immediately if the other party becomes unable to pay its debts in the ordinary course of business; goes into liquidation (other than for the purpose of a genuine amalgamation or restructuring); has a receiver appointed over all or part of its assets; enters into a composition or voluntary arrangement with its creditors; or any similar event occurs in any jurisdiction, all to the extent permitted by law.

20. NOTICE AND WAIVERS

All notices relating hereto shall be delivered in person to an officer of the Lessor or Lessee or shall be mailed certified or registered to the Lessor or the Lessee at their respective addresses shown or at any other address hereinafter furnished by the notice given in like manner. A waiver of a specific default shall not be a waiver of any other subsequent default. No waiver by the Lessor of any provisions hereof shall constitute a waiver of any other matter and all waivers shall be in writing and executed by an officer of the Lessor. No failure on the part of the Lessor to exercise, and no delay in exercising, any right or remedy hereunder shall operate as a waiver thereof.

21. ENTIRE AGREEMENT

This instrument constitutes the entire Agreement between the parties and may not be modified except by a written instrument signed by the Lessor and the Lessee. The lease shall not constitute a contract until accepted in writing by an authorized representative of the Lessor.

22. ADDITIONAL DOCUMENTS

At the request of a party, the other party shall execute and deliver to such party any documents as such party shall deem necessary or desirable for the purpose of recording or filing.

23. MISCELLANEOUS

Any provision of this instrument prohibited by the law in any province shall, as to such province, be ineffective to the extent to such prohibition without invalidating the remaining provisions of this instrument. The Lessee represents that the Equipment is being leased for business purposes and agrees that under no circumstances shall this lease be deemed or construed as a consumer contract or a conditional sales agreement.

24. LAWS OF ONTARIO CONTROL THIS LEASE AGREEMENT

The Lessor and Lessee both stipulate and agree that in the event of any dispute involving this Lease Agreement, the Lessor and the Lessee may file suit in the courts, whether federal or provincial, located in the Province of Ontario. The lease shall be governed by and construed in accordance with the laws of the Province of Ontario. Further, in the event of any dispute pursuant to this Lease Agreement, the prevailing party shall be awarded all court costs including reasonable attorney fees.

25. INSURANCE COVERAGE

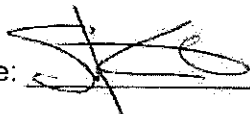
Pursuant to paragraph (10) hereof, the Lessee shall carry public liability and property damage insurance in the amount of \$2,000,000 CDN combined single limit per occurrence and aggregate. "Schedule A – Equipment Lease Agreement" lists the equipment included in this Lease.

The undersigned affirm being duly authorized to bind the company.

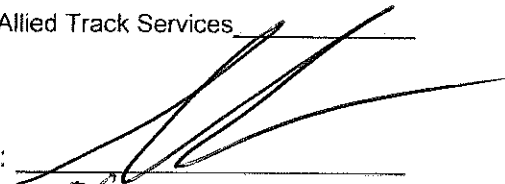
LESSOR: LMS Rail Equipment Services

LESSEE: Allied Track Services

Signature: _____



Signature: _____



Name: SYLVAIN COUTURE

Name: _____

Steve Spear

Title: MANAGER

Title: _____

CMO

Date: AUG. 1 2016

Date: _____

Aug 1 / 2016

Schedule A

Unit	Description	Serial
R1	2006 Ford F-350 4x4 Crew Cab 4X4	1FTWW31526EA39706
R6	2008 Ford F-350 Crewcab XLT 4X4	1FTWW31558EC72157
R7	2007 Ford F-350 Crewcab XL 4X4	1FTWW31527EB37023
R8	2008 Ford F-350 Crewcab XLT 4X4	1FTWW31508EC72163
R9	2008 Ford F-350 Crewcab XLT 4X4	1FTWW315X8EC72168
R10	2006 Ford F-350 Crewcab XLT 4X4	1FTWW315X6EB05144
R11	2007 Ford F-350 Crewcab XL 4X4	1FTWW31577EB37194
R12	2009 Ford F-350 Crewcab XL 4X4	1FTWW31529EA87422
R13	2009 Ford F-350 Crewcab XL 4X4	1FTWW31529EA87436
R14	2009 Ford F-350 Crewcab 4X4	1FTWW31509EB00524
R15	2011 Ford Econoline wagon	1FBSS3BL2BDA12906
R16	2011 Ford F-350 Crewcab XLT 4X4	1FT8W3B6XBEA39124
R17	2009 Ford F-350 Crewcab XLT 4X4	1FTWW31509EA87127
R18	2011 Ford Econoline wagon	1FBSS3BL5BDA94548
R19	2011 Ford F-3350 Crewcab XLT 4X4	1FT8W3B69BEC48936
R20	2011 Ford F-350 Crewcab XLT 4X4	1FT8W3B67BEB54425
R21	2013 Ford F-550 Crewcab XL 4X4	1FD0W5HT4DEA58319
R22	2013 Ford F-550 Crewcab XL 4X4	1FD0W5HT1DEA45396

R23	2009 Ford F-550 Crewcab XL 4X4	1FDAW57R79EA26823
R24	2009 Ford F-550 Crewcab XL 4X4	1FDAW57R09EA51143
R25	2011 Ford F-350 Crewcab XLT 4X4	1FT8W3B65BEB54486
R26	2013 Ford F-350 Crewcab XL 4X4	1FT8W3B6XDEA71770
R27	2013 Ford F-350 Crewcab XL 4X4	1FT8W3B69DEA77642
R28	2013 Ford F-350 Crewcab XL 4X4	1FT8W3B68DEB54663
R29	2013 Ford F-250 Crewcab XL 4X4	1FT7W2B62DEB06419
R30	2013 Ford F-350 Crewcab XL 4X4	1FT8W3B6XDEB54342
R31	2013 Ford F-250 Crewcab XLT 4x4	1FT7W2B60DEA20557
R32	2014 Ford F-350 Crewcab XL 4X4	1FT8W3B63EEA01240
R33	2014 Ford F-350 Crewcab XL 4X4	1FT8W3B61EEA06386
R34	2014 Ford F-350 Crewcab XL 4X4	1FT8W3B6XEEA39936
R35	2014 Ford F-350 Crewcab XL 4X4	1FT8W3B68EEA39935
R36	2014 Ford F-350 Crewcab XL 4X4	1FT8W3B67EEB04287
R37	2014 Ford F-350 Crewcab XL 4X4	1FT8W3B66EEB31397
R38	2014 Ford F-250 Crewcab XLT 4X4	1FT7W2B61EEA50684
R39	2015 Ford F-350 Crewcab XL 4X4	1FT8W3B61FEA49076
R40	2015 Ford F-350 Crewcab XL 4X4	1FT8W3B62FEA49071
R41	2015 Ford F-250 Crewcab XL 4X4 156	1FT7W2B65FEB27624
R42	2015 Ford F-350 Crewcab XL 4X4	1FT8W3B64FEA49072

R43	2015 Ford F-250 Crewcab XLT 4X4 156	1FT7W2B66FEB09116
R44	2015 Ford F-350 Crewcab XL 4X4	1FT8W3B66FEA49073
R45	2015 Ford F-350 Crewcab XL 4X4	1FT8W3B68FEA49074
R46	2015 Ford F-350 Crewcab XL 4X4	1FT8W3B6XFEA49075
R47	2015 Ford F-250 Crewcab XL 4X4 156	1FT7W2B67FEB84620
R48	2015 Ford F-250 Crewcab XLT 4X4 172	1FT7W2B69FEB09143
R49	2015 Ford F-350 Crewcab XL 4X4 172	1FT8W3B6XFEB09145
R50	2015 Ford F-350 Crewcab XL 4X4 172	1FT8W3B61FEC59791
R51	2015 Ford F-350 Crewcab XL 4X4 172	1FT8W3B6XFEC59790
R52	2015 Ford F-350 Crewcab XL 4X4 172	1FT8W3B63FEC59789
R53	2015 Ford F-350 Crewcab XL 4X4 172	1FT8W3B61FEC59788
R54	2015 Ford F-350 Crewcab XL 4X4 172	1FT8W3B63FEC59792
R55	2015 Ford F-350 Crewcab XL 4X4 172	1FT8W3B62FEC67415
R56	2015 Ford F-350 Crewcab XL 4X4 172	1FT8W3B61FEA73300
R57	2015 Ford F-350 Crewcab XL 4X4 172	1FT8W3B62FEC94386
R58	2015 Ford F-350 Crewcab XL 4X4 172	1FT8W3B60FED12836
R59	2015 Ford F-350 Crewcab XL 4X4 172	1FT8W3B62FED12837
R60	2015 Ford F-350 Crewcab XL 4X4 172	1FT8W3B64FED12838
R61	2015 Ford F-350 Crewcab XL 4X4	1FT8W3B64FEC94387
R62	2015 Ford F-350 Crewcab XL 4X4	1FT8W3B60FEC94385

R63	2015 Ford F-350 Crewcab XL 4X4	1FT8W3B66FED12839
R64	2015 Ford F-350 Crewcab XL 4X4	1FT8W3B62FED12840
R65	2015 Ford F-350 Crewcab XL 4X4	1FT8W3B66FED12842
R66	2015 Ford F-350 Crewcab XL 4X4	1FT8W3B64FED12841
R67	2015 Ford F-350 Crewcab XL 4X4	1FT8W3B64FED47718
R68	2015 Ford F-350 Crewcab XL 4X4	1FT8W3B66FED47719
R69	2014 Ford E-350 Econoline wagon	1FBSS3BL7EDA76265
R70	2016 Ford F-350 Crewcab XL 4X4	1FT8W3B61GEC27652
R71	2016 Ford F-350 Crewcab XL 4X4	1FT8W3B67GEC27655
R72	2016 Ford F-350 Crewcab XL 4X4	1FT8W3B61GEC36478
R73	2016 Ford F-350 Crewcab XL 4X4	1FT8W3B63GEC36479
R74	2016 Ford F-350 Crewcab XL 4X4	1FT7W2B63FEC19637
R75	2016 Ford F-350 Crewcab XL 4X4	1FT8W3B63GEC27653
R76	2016 Ford F-350 Crewcab XL 4X4	1FT8W3B65GEC27654
R77	2016 Ford F-350 Crewcab XL 4X4	1FT8W3B6XGEC36480
R78	2016 Ford F-350 Crewcab XL 4X4	1FT8W3B61GEC36481
R79	2016 Ford F-250 Crewcab XL 4X4	1FT7W2B69GED34602
R80	2016 Ford F-250 Crewcab XL 4X4	1FT7W2B6XGED43809
R81	2016 Ford F-250 Crewcab XL 4X4	1FT7W2B66GED43810
R82	2016 Ford F-250 Crewcab XL 4X4	1FT7W2B68GED43811
R83	2016 Ford F-250 Crewcab XL 4X4	1FT7W2B6XGED43812
R84	2016 Ford F-250 Crewcab XL 4X4	1FT7W2B61GED43813

Appendix “H”



Blake, Cassels & Graydon LLP
 Barristers & Solicitors
 Patent & Trademark Agents
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Chris Burr

Partner

Dir: 416-863-3261

chris.burr@blakes.com

September 9, 2022

VIA EMAIL

Reference: 00025198/000004

Sylvain Couture
 LMS Rail Services Limited
 Trading as LMS Rail Equipment Services
 1304 Front St. P.O. Box 607
 Hearst, ON P0L 1N0

Mr. Couture,

Re: Equipment Leased by 2806401 Ontario Inc. o/a Allied Track Services Inc. ("**Allied**")

We are counsel to KSV Restructuring Inc., in its capacity as interim receiver of Allied (the "**Interim Receiver**"). The Interim Receiver was appointed on September 6, 2022 by order of Mr. Justice McEwen of the Ontario Superior Court (the "**Appointment Order**"). A copy of the Appointment Order is attached for your reference, and capitalized terms used but not otherwise defined in this letter shall have the meanings given to them in the Appointment Order.

In connection with your discussions with the Interim Receiver, we have reviewed:

- the Equipment Lease Agreement dated as of August 1, 2016 between LMS Rail Services Limited ("**LMS**") and Allied Track Services Inc ("**Old Allied**") (the "**Lease Agreement**");
- the Agreement dated March 17, 2021 among LMS and Old Allied (the "**Interim Agreement**");
- the amended and restated asset purchase agreement dated April 1, 2021 between Old Allied and New Allied (the "**Sale Agreement**");
- the approval and vesting order of Madam Justice Dietrich dated April 7, 2021, which approved the Sale Agreement (the "**Approval Order**"); and
- Ontario, Alberta and British Columbia results of searches conducted against Allied in the applicable personal property security registries, dated August 22, 2022 (the "**PPSA Search Results**").

We understand that the Lease Agreement was assigned by Old Allied to Allied pursuant to the terms of the Sale Agreement, with the consent of LMS as set out in the Interim Agreement and as approved by

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the Approval Order, on the closing of the transaction contemplated by the Sale Agreement on April 30, 2021.

You have been in discussions with the Interim Receiver regarding the payment for, or return of, equipment leased by Allied under the Lease Agreement. Any equipment leased by Allied under the Lease Agreement is referred to in this letter as “**LMS Leased Equipment**”.

Personal Property Security Act Analysis

The Lease Agreement was entered into on August 1, 2016, for an initial term of 48 months, and is accordingly a “lease for a term of more than one year”, within the meaning of the *Personal Property Security Act* (Ontario) (the “**PPSA**”). The PPSA provides at section 2(c) that it applies to “a lease of goods under a lease for a term of more than one year even though the lease may not secure payment or performance of an obligation.” Accordingly, the PPSA applies to the Lease Agreement and the LMS Leased Equipment.

The PPSA further provides at section 1(1) that a “security interest” includes “the interest of a lessor of goods under a lease for a term of more than one year.” Accordingly, LMS’s interest in the LMS Leased Equipment is a security interest under the PPSA.

Section 20(1)(a)(i) of the PPSA provides that “until perfected, a security interest in collateral is subordinate to the interest of a person who has a perfected security interest in the same collateral”.

Based on our review of the PPSA Search Results, LMS has not registered a financing statement against Allied under the personal property security registries in Ontario, Alberta or British Columbia, and therefore LMS’s security interest in the LMS Leased Equipment is not perfected.

Also based on our review of the PPSA Search Results and other relevant documents, Bridging Finance Inc. (“**Bridging**”) has been granted a security interest in all of Allied’s equipment, and registered that security interest in Ontario. This security interest and registration appears to include the LMS Leased Equipment.

Accordingly, it appears to the Interim Receiver that LMS’s security interest in the LMS Leased Equipment is subordinate to the security interest of Bridging. The personal property security acts of British Columbia and Alberta have similar provisions to those in the Ontario PPSA, and the foregoing conclusion applies to those provinces as well.

Treatment of LMS Leased Equipment Going Forward

The Interim Receiver is not in a position to turn over the LMS Leased Equipment to LMS, on the basis that Bridging appears to have a prior ranking interest in such equipment. Rather, the Interim Receiver intends to take steps to secure all of Allied’s equipment (including the LMS Leased Equipment), and either use that equipment in the course of Allied’s business, or store that equipment until it can be sold or otherwise disposed of.

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No LMS Leased Equipment will be sold by the Interim Receiver without LMS's consent, or an order from the Court approving a sale, which order would be obtained on notice to LMS.

The Interim Receiver is currently working with Allied's staff of determine which pieces of the LMS Leased Equipment are being used by Allied in the operation of its business, and which pieces of LMS Leased Equipment will be secured by the Interim Receiver and stored.

The Interim Receiver has obtained the consent of Bridging for LMS to be paid rent for any LMS Leased Equipment that Allied is actively using, for such periods of that active use. The Interim Receiver will provide an accounting of the LMS Leased Equipment being used and the corresponding rent as soon as it has been determined.

The Interim Receiver will furthermore work with you and with Bridging to determine how the LMS Leased Equipment will be dealt with going forward. Our objective is to maintain the *status quo*, while the conflicting security interests of LMS and Bridging get resolved.

Stay of Proceedings

The Appointment Order includes a comprehensive stay of proceedings, which prohibits any party from commencing or continuing any Proceeding against Allied or the Property, or exercising any remedies against Allied or the Property, without the written consent of the Interim Receiver or order of the Court. In the Interim Receiver's view, this stay of proceedings extends to the LMS Leased Equipment.

Accordingly, we trust that LMS will not take any enforcement or repossession steps with respect to the LMS Leased Equipment without the Interim Receiver's consent or order of the Court, which steps would be in breach of the Appointment Order.

* * * * *

As stated above, the Interim Receiver intends to work with LMS going forward. If LMS disagrees with the legal conclusions drawn above, we would be pleased to consider the basis for such disagreement. Until this matter has been resolved, either by consent of the parties or pursuant to a Court order, the Interim Receiver intends to retain possession of the LMS Leased Equipment in order to maintain the status quo, which in the Interim Receiver's view is in the best interest of all of Allied's creditors.

Regards,



Chris Burr

Cc: Interim Receiver

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Appendix “I”

2806401 Ontario Inc. o/a Allied Track Services

Summary of LMS Rail Services Leased Equipment

	Collateral	VIN	Party Registered against LMS Rail Services Inc. and VIN	Date of Reg. on VIN
1	2015 Ford F-250/F-350	1FT8W3B63FEC58789	Clear	N/A
2	2015 Ford F-350 Crewcab XL	1FT8W3B63FEC59792	Vic Lanoix Holdings Limited	23/1/20
3	2015 Ford F-350 Crewcab XL	1FT8W3B62FEC67415		
4	2015 Ford F-350 Crewcab XL	1FT8W3B62FEC94386		
5	2016 Ford F-350 Crewcab XL	1FT7W2B63FEC19637	Vic Lanoix Holdings Limited	17/11/20
6	2016 Ford F-350 Crewcab XL	1FT8W3B63GEC27653	Vic Lanoix Holdings Limited	31/3/21
7	2016 Ford F-350 Crewcab XL	1FT8W3B65GEC27654		
8	2016 Ford F-350 Crewcab XL	1FT8W3B6XGEC36480		
9	2016 Ford F-350 Crewcab XL	1FT8W3B61GEC36481		
10	2016 Ford F-250 Crewcab XL	1FT7W2B69GED34602		
11	2016 Ford F-250 Crewcab XL	1FT7W2B6XGED43809		
12	2016 Ford F-250 Crewcab XL	1FT7W2B66GED43810		
13	2016 Ford F-250 Crewcab XL	1FT7W2B68GED43811		
14	2016 Ford F-250 Crewcab XL	1FT7W2B6XGED43812		
15	2016 Ford F-250 Crewcab XL	1FT7W2B61GED43813		
16	2016 Ford F-350	1FT8W3B61GED34605		

	Collateral	VIN	Party Registered against LMS Rail Services Inc. and VIN	Date of Reg. on VIN
17	2017 Ford F-250	1FT7W2B66HED74816	HSBC Bank Canada	27/9/17
18	2017 Ford F-250	1FT7W2B67HED82052	HSBC Bank Canada	27/9/17
19	2017 Ford F-250	1FT7W2B67HED97814	HSBC Bank Canada	27/9/17
20	2017 Ford F-250	1FT7W2B67HEE11517	HSBC Bank Canada	27/9/17
21	2017 Ford F-250	1FT7W2B69HEE11518	Clear	N/A
22	2017 Ford F-250	1FT7W2B69HED97815	Clear	N/A
23	2017 Ford F-250	1FT7W2B61HED97811	Clear	N/A
24	2017 Ford F-250	1FT7W2B60HED97816	Clear	N/A
25	2017 Ford F-350 Superduty	1FT8W3B64HEE11520	Meridian Onecap Credit Corp.	3/4/18
26	2017 Ford F-350 Superduty	1FT8W3B68HEE11519	Meridian Onecap Credit Corp.	3/4/18
27	2017 Ford F-350 Superduty	1FT8W3B62HEE39638	Meridian Onecap Credit Corp.	3/4/18
28	2017 Ford F-350 Superduty	1FT8W3B64HEE39639	Meridian Onecap Credit Corp.	3/4/18
29	2019 Ford F-350	1FT8W3B68LED73329	HSBC Bank Canada	10/8/21
30	2019 Ford SRW Crewcab	1FT7W2B62KED88977	HSBC Bank Canada	23/4/19
31	2019 Ford F-250	1FT7W2B62KEE30371	Caisse Populaire Alliance Limitee	8/5/20
32	2019 Ford F-350	1FT8W3B68KEE30370	Caisse Populaire Alliance Limitee	8/5/20
33	2018 Ford F-350 Crewcab	1FT7W3BT5JEC00723	HSBC Bank Canada	21/6/19
34	2018 Ford F-250	1FT7X2B64JEB76822	Caisse Populaire Alliance Limitee	8/5/20
35	2014 Ford F-350 Crewcab	1FT8W3B67EEB71133	Vic Lanoix Holdings Limited	17/11/20

	Collateral	VIN	Party Registered against LMS Rail Services Inc. and VIN	Date of Reg. on VIN
36	2015 Ford F-350 Crewcab	1FT8W3B60FEC47955		
37	2019 Ford F-350	1FT8W3B62KEG81840	Meridian Onecap Credit Corp.	27/5/20
38	2019 Ford F-350	1FT8W3B65KEG81847	HSBC Bank Canada	8/9/20
39	2019 Ford F-350 SRW	1FT8W3B63KEG81846		
40	2018 Ford F-350	1FT8W3B61JEC30039	HSBC Bank Canada	11/8/20
41	2020 Ford F-250 SRW	1FT7W2B60LEE14025	Meridian Onecap Credit Corp.	12/11/20
42	2020 Ford F-250 SRW	1FT7W2B64LEE14027	Meridian Onecap Credit Corp.	12/11/20
43	2020 Ford F-350 SRW	1FT8W3B69LED81634	Meridian Onecap Credit Corp.	12/11/20
44	2019 Ford F-250	1FT7W2B6XKEG81882	Vic Lanoix Holdings Limited	31/3/21
45	2022 Ford F-350 Superduty	1FT8W3B61NED08891	HSBC Bank Canada	30/3/22
46	2022 Ford F-350 Superduty	1FT8W3B63NED08892	HSBC Bank Canada	30/3/22

Appendix “J”

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

IN THE MATTER OF THE RECEIVERSHIP OF 2806041 ONTARIO INC. O/A ALLIED TRACK SERVICES INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO

BETWEEN:

PRICEWATERHOUSECOOPERS INC. (SOLELY IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER OF BRIDGING FINANCE INC. AND CERTAIN RELATED ENTITIES AND INVESTMENT FUNDS)

Applicant

- and -

2806401 ONTARIO INC. O/A ALLIED TRACK SERVICES INC.

Respondent

**AFFIDAVIT OF MITCH VININSKY
(sworn October 19, 2022)**

I, **MITCH VININSKY**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a Managing Director at KSV Restructuring Inc. and, as such, I have knowledge of the matters to which I hereinafter depose. KSV Restructuring Inc. ("**KSV**") is acting in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**"), without security, of the assets, undertakings and properties (the "**Property**") of 2806401 Ontario Inc. o/a Allied Track Services Inc. (the "**Company**").
2. This affidavit is sworn in respect of the fees of KSV, in its capacity as interim receiver ("**Interim Receiver**"), without security, of the Property. The Interim Receiver prepared an invoice detailing its services rendered and disbursements incurred (the "**Invoice**") to the date of its discharge, which occurred on the appointment of the Receiver. Attached hereto and marked as **Exhibit "A"** to this Affidavit is a copy of the Invoice. The average hourly rate of the Interim Receiver is \$550.92.
3. This Affidavit is made in support of a motion to, *inter alia*, approve the attached accounts of the Interim Receiver and the fees and disbursements detailed therein, and for no improper purpose whatsoever.

SWORN before me at the City of Toronto, in the Province of Ontario, this 19th day of October, 2022



A commissioner, etc.



MITCH VININSKY

Rajinder Kashyap, a Commissioner, etc., Province of Ontario, for KSV Restructuring Inc. Expires January 27, 2024
--

Attached is Exhibit "A"
Referred to in the
AFFIDAVIT OF MITCH VININSKY
Sworn before me
this 19th day of October, 2022



Commissioner for taking Affidavits, etc

Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc.
Expires January 27, 2024



ksv advisory inc.¹⁴³

150 King Street West, Suite 2308
Toronto, Ontario, M5H 1J9
T +1 416 932 6262
F +1 416 932 6266

ksvadvisory.com

INVOICE

2806401 Ontario Inc. o/a Allied Track Services
c/o KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

October 19, 2022

Invoice No: 2812
HST #: 818808768RT0001

Re: 2806401 Ontario Inc. o/a Allied Track Services (the "Company")

For professional services rendered for the period September 6 to 23, 2022 by KSV Restructuring Inc. ("KSV") in its capacity as court-appointed interim receiver of the Company as set out in the attached detailed time summary.

Fees and disbursements	\$ 116,601.00
HST	<u>15,158.13</u>
Total Due	\$ <u>131,759.13</u>

KSV Restructuring Inc.
 2806401 Ontario Inc. o/a Allied Track Services
Time Summary
 For the period September 6 to 23, 2022

Personnel	Role	Rate (\$)	Hours	Amount (\$)
Noah Goldstein	Overall responsibility	675	19.25	12,993.75
Mitch Vininsky	All aspects of the mandate	675	99.00	66,825.00
Jordan Wong	All aspects of the mandate	495	64.25	31,803.75
Other Staff and Administration			28.65	4,703.50
				<u>116,326.00</u>
Expenses				275.00
Total Fees and Disbursements				<u><u>116,601.00</u></u>
		HST		15,158.13
		Total		<u><u>131,759.13</u></u>

Date	Hours	Rate	Amount	Explanation
<u>N. Goldstein</u>				
6/9/2022	1.50	675.00	1,012.50	Dealing with Allied's outstanding invoices. Dealing with Kroll re server backup. Multiple calls with Allied's controller. Emails with Fasken, CP's counsel.
7/9/2022	1.00	675.00	675.00	Several emails re CP and employee termination letters.
8/9/2022	2.00	675.00	1,350.00	Call with Allied re CRA, equipment disposal and outstanding invoices.
9/9/2022	3.00	675.00	2,025.00	LMS letter. Funding.
10/9/2022	1.00	675.00	675.00	Call with with Tert & Ross re equipment.
12/9/2022	3.00	675.00	2,025.00	Deal with CP funding requests. Correspond with PWC. Deal with outstanding invoices.
13/9/2022	1.00	675.00	675.00	Deal with CP funding requests and outstanding invoices.
15/9/2022	2.00	675.00	1,350.00	Deal with ONTC status. Emails re WIP and AR. CP matters.
16/9/2022	2.00	675.00	1,350.00	Call with CP re funding and reconciliation.
19/9/2022	0.50	675.00	337.50	Internal correspondence re outstanding matters.
20/9/2022	0.50	675.00	337.50	Review various emails re CP and Court materials.
23/9/2022	1.75	675.00	1,181.25	CP reconciliation.
	19.25		12,993.75	
<u>M. Vininsky</u>				
6/9/2022	7.40	675.00	4,995.00	Deal with CP invoicing, funding, employee letters, IT backup. Call with employee benefits provider, call with union rep, call with placement agency, emails to vendors, call with Jamey re equipment consolidation, emails with insurance agent, review payroll register and correspond with PwC.
7/9/2022	6.40	675.00	4,320.00	CP invoicing matters. Call with PwC re invoicing. Correspond and call with LMS re lease status and review. Corresponding with Allied re equipment relocation. Emails with BMO re accounts and payroll funding. Correspond with temp agency. Prepare letter to employee and letter to union rep.
8/9/2022	9.80	675.00	6,615.00	Deal with funding, CP invoices. Call with Telpay re payroll processing. Attend call with CP. LMS review and discussion with Blakes. Call with Tert & Ross re securing equipment. Call with Jamey and Darren re equipment. Call with employee regarding compensation. Correspond re payroll, employee benefits, numerous calls and corres with Blakes, Tert & Ross, Darren, LMS re LMS vehicles and status.
9/9/2022	8.40	675.00	5,670.00	Dealing with urgent fuel card and funding issues. Call with Andy and Tom. Emails and correspondence with BMO re accounts. Group call with CP re invoicing. Calls with Allied re accounts. Calls with OWS re ONTC project. Numerous calls and corres re LMS lease and next steps. Further corres with Blakes re ONTC/OWS status. Internal planning call. Dealing with employee retention. CP invoicing status and internal emails.
10/9/2022	1.40	675.00	945.00	Employee letter. Follow up with Canada Life re employee benefits. Review notice to liquidators. Review LMS status. Call with Tert & Ross re LMS trucks.
11/9/2022	1.20	675.00	810.00	Deal with workers comp account matters. Review of leases. Correspond with Universal re ONTC contract.
12/9/2022	7.80	675.00	5,265.00	Employee letter. Deal with insurance payment. Correspond with Canada Life. Call with Allied re CP status, corres with Blakes re NOI extension, call with PWC re CP status. Emails re liquidation proposals. Call with Universal Rail re ONTC. Call with Blakes re IR proceedings. Lease review. Call with Allied re CP invoicing.
13/9/2022	6.40	675.00	4,320.00	CP funding. Payroll. Emails with Allied re ROEs. Deal with Canada Life benefits. Lease review. IR report to court. Review CN letter. Corres re ONTC project. Call with Tert & Ross re additional assets to secure. Dealing with the Rogers account. Call with Blakes re outstanding matters.
14/9/2022	7.80	675.00	5,265.00	IR report. Payroll. CP. Call with PwC/TGF/Blakes. Call with Allied. Operating costs. Emails with Jamey re union matters and the accounts receivable schedule.
15/9/2022	6.80	675.00	4,590.00	Review updated equipment list. Canada Life correspondence. Internal call re operating costs and changing accounts, banking and transfer of funds. Call with Blakes re ONTC status. Call with Universal Rail re ONTC status, report edits, banking issues and transfer. Call with Allied re WIP and receivable collection strategy. Deal with RRSP deduction matters. Review union counsel corres.
16/9/2022	7.80	675.00	5,265.00	Review report and comments on NOA from TGF. Deal with banking and CP receipts. Call with Tert & Ross re equipment issues and relocation. Call with PwC re CP and other issues. Call with CP. Deal with cash flow. Call with Nola re employees. Call with certian employees. Call with Chris and correspondence re A Action letter. Finalizing the report. Review and comment on all court materials.
17/9/2022	0.50	675.00	337.50	Correspondence with Blakes re A Action.
19/9/2022	6.70	675.00	4,522.50	Correspondence re CP and review tracking schedule. Deal with CP reconciliation. Internal call re status of all matters. Calls with employees re compensation. Review response from and to A Action. Pay insurance premium. Dealing with Allied re moving equipment.
20/9/2022	6.40	675.00	4,320.00	Correspondence re CP status, A Action and retainer to counsel to directors. Call with Universal Rail re CP transition. Deal with banking, payroll and moving equipment.
21/9/2022	4.80	675.00	3,240.00	Correspondence re A Action response. ONTC response and email to Universal. Banking. PNR receipt. Call with Allied re union reports and arrears and RRSP arrears. Summarize union reports.
22/9/2022	4.80	675.00	3,240.00	Correspondence re A Action delivery of vehicle. Review and edit aide memoire. Review PWC factum. Correspond with Universal re ONTC. Review letter from Koskie Minsky re the union's information requests. Call with Doug re union summary schedule. Dealing with CP reconciliation issues. Call with employee regarding resignation. Call with other employee re retention. Call Infinity Assets re liquidation proposals. Call from LMS re status of leases.
23/9/2022	4.60	675.00	3,105.00	Review updated receivable list. Corres with Universal re assets needed for CP. Correspond with liquidators. Correspond with Allied re outstanding invoices. Review CP update and call summary.
	99.00		66,825.00	

Date	Hours	Rate	Amount	Explanation
<u>J. Wong</u>				
6/9/2022	5.00	495.00	2,475.00	Update call with Allied. Calls with parties interested in equipment. Review leases and update funding schedule. Call with NG and Allied. Deal with John/Darren re equipment listings. Deal with employee retention and termination letters with Blakes.
7/9/2022	6.50	495.00	3,217.50	Call with Tert & Ross re equipment. Call with Allied re funding estimate. Funding matters and disbursements. Review LMS leases. Various emails re equipment and employee matters. Deal with leases. Calls with Jamey, interested parties, landlords, towing companies, etc. Review and send CP funding estimate. Update internal checklist.
8/9/2022	5.50	495.00	2,722.50	Various emails re vendor payments and funding request. Revised funding request. Call with Jamey and Darren re asset realization plan. LMS lease matters. Review source deduction. Calculate employee vacation entitlements. Address accrued vacation pay. Call with Gordon Bros. Call with both Kamloops landlords. Review Blakes' emails and letter re LMS. Deal with McDougall Auctioneers. Address various vendor matters.
9/9/2022	6.00	495.00	2,970.00	Call with Allied and MV re fuel and credit cards. Multiple calls with Fleetcor regarding credit limit increase and update Allied re same. Correspond with liquidators. Call with Remcan. Call with McDougall Auctioneers. Call with CT re utilities. Planning call with NG and MV. Various emails with towing companies. Set liquidation proposal deadline.
10/9/2022	0.75	495.00	371.25	Draft email to liquidators re proposals.
11/9/2022	0.50	495.00	247.50	Prepare the notice and statement of receiver.
12/9/2022	6.00	495.00	2,970.00	Rent and other vendor payments. Send email to liquidators. Call with liquidators and interested parties. Call with towing company. Review Allied's CP invoice list and compare with CP listing. Review various emails re leases, equipment value, towing, payments.
13/9/2022	4.25	495.00	2,103.75	Review CP invoice listing and prepare tracker. Deal with vendor payments and utilities. Call with Grimsby landlord. Review payroll register. Employee emails.
14/9/2022	5.50	495.00	2,722.50	Finalize payroll and call with Allied re same. Call with Maynards (liquidator). Review letter to CN and Fonthill. Deal with vendor payments. Review updated equipment listing and call with Tert & Ross. Deal with CP pre-funding reconciliation to actuals.
15/9/2022	2.25	495.00	1,113.75	Call with Tom re reconciliation of CP funding and review same. Call with liquidator. Call with Fleetcor. Email to Fleetcor. Review 2nd report. Prepare NOI cash flow and related reports.
16/9/2022	4.00	495.00	1,980.00	Multiple calls with Fleetcor and emails re same. Call with PwC re CP invoicing and reconciliation. Call with Tert & Ross re equipment status. Various emails re the court materials. Review Blakes letter re A Action. Review and finalize CP reconciliation for week 1 and call with Allied re same. Various internal calls.
18/9/2022	0.25	495.00	123.75	Update internal checklist. Deal with vendor payments.
19/9/2022	4.25	495.00	2,103.75	Update call with Mitch. Emails with CP. Review A Action emails. Review various emails re equipment, leases, employees, customer invoicing, payment. Reconcile CP invoices. Emails to employee. Deal with liquidators. Complete towing application.
20/9/2022	4.25	495.00	2,103.75	CP receivables reconciliation update and call with Roman re same. Review pre-funding request. Review payroll register. Call with MV. Call with Tert & Ross re equipment. Call with Corporate Assets re liquidation proposal. Call with Blakes re leased assets, RRSP and union dues. Deal with liquidators re leased asset listing. Review purchase option on certain leases.
21/9/2022	2.00	495.00	990.00	Review CP payments and update tracker. Review pre-funding request for CP. Various emails. Call with liquidator. Review emails re leases.
22/9/2022	3.00	495.00	1,485.00	Review pre-funding request and reconciliation for CP. Review various emails re liquidation proposals, ONTC contract and employee matters. Respond to creditors. Call with McDougall Auctioneers. Email to Fleetcor legal team.
23/9/2022	4.25	495.00	2,103.75	Call with MV and NG. Attend court hearing. Call with CP re reconciliation. Prepare CP leased asset listing for Universal and call with Tom re same. Review RRSP remittances and garnishment summary. Update CP receivable tracker. Review liquidation proposals.
	64.25		31,803.75	

C. Theriault

13/9/2022	2.75	160.00	440.00	Correspondence with vendors and utilities re ongoing supply.
14/9/2022	7.00	160.00	1,120.00	Correspondence with vendors and utilities re ongoing supply.
15/9/2022	5.25	160.00	840.00	Correspondence with vendors and utilities re ongoing supply.
16/9/2022	1.00	160.00	160.00	Correspondence with vendors and utilities re ongoing supply.
19/9/2022	1.50	160.00	240.00	Correspondence with vendors and utilities re ongoing supply.
20/9/2022	2.00	160.00	320.00	Correspondence with vendors and utilities re ongoing supply.
21/9/2022	3.00	160.00	480.00	Correspondence with vendors and utilities re ongoing supply.
	22.50		3,600.00	

Time Summary

September 6 to 23, 2022

Date	Hours	Rate	Amount	Explanation
<u>K. Vadodariya</u>				
7/9/2022	0.50	200.00	100.00	Setting up interim receiver's bank account.
13/9/2022	0.30	200.00	60.00	Vendor payments.
	0.80		160.00	
<u>L. Quintos</u>				
15/9/2022	0.15	160.00	24.00	Draft letter to BMO.
16/9/2022	1.15	160.00	184.00	Reconcile estate bank balance.
19/9/2022	1.00	160.00	160.00	Arrange vendor and other payments.
20/9/2022	0.15	160.00	24.00	Arrange vendor and other payments.
21/9/2022	0.20	160.00	32.00	Arrange vendor and other payments.
23/9/2022	0.20	160.00	32.00	Arrange vendor and other payments.
	2.85		456.00	
<u>R. Kashyap</u>				
13/9/2022	0.25	195.00	48.75	Administrative tasks
14/9/2022	0.25	195.00	48.75	Administrative tasks
16/9/2022	1.50	195.00	292.50	Administrative tasks
19/9/2022	0.25	195.00	48.75	Administrative tasks
22/9/2022	0.25	195.00	48.75	Administrative tasks
	2.50		487.50	
Fees			116,326.00	
Exps			275.00	Ascend fee
			<u>116,601.00</u>	

Appendix “K”

Court File No: CV-22-00686556-00CL

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

IN THE MATTER OF THE INTERIM RECEIVERSHIP OF
2806401 ONTARIO INC. o/a ALLIED TRACK SERVICES INC.

B E T W E E N:

KSV RESTRUCTURING INC., IN ITS CAPACITY AS PROPOSAL TRUSTEE OF
2806401 ONTARIO INC. o/a ALLIED TRACK SERVICES INC.

Applicant

- and -

2806401 ONTARIO INC. o/a ALLIED TRACK SERVICES INC.

Respondent

AFFIDAVIT OF CHRIS BURR

I, CHRIS BURR, of the City of Toronto, in the Province of Ontario, MAKE OATH

AND SAY:

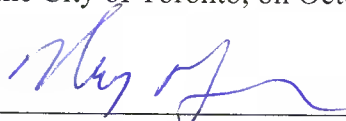
1. I am a Partner at the law firm of Blake, Cassels & Graydon LLP (“**Blakes**”), counsel for KSV Restructuring Inc. (“**KSV**”) in its capacity as interim receiver (in such capacity, the “**Interim Receiver**”), without security, of all of the assets, undertakings and properties of 2806401 Ontario Inc. o/a Allied Track Services Inc. (the “**Debtor**”), and as such have knowledge of the matters to which I hereinafter depose.

2. By Order of the Honourable Mr. Justice McEwen dated September 6, 2022 (the “**Appointment Order**”), KSV was appointed Interim Receiver of the Debtor.
3. Pursuant to the terms of the Appointment Order, the Interim Receiver retained Blakes to advise it with regards to the matters related to its appointment and the performance of its duties and powers.
4. Blakes’ fees and disbursements for the period from September 6, 2022 to September 23, 2022 are summarized in the invoice rendered to the Receiver on October 13, 2022 (the “**Invoice**”). The Invoice is a fair and accurate description of the services provided, the disbursements incurred and the amounts charged by Blakes, and are calculated based on Blakes’ standard rates and charges. The Invoice contains information and advice over which privilege is asserted, and which privilege is not waived. As a result, a redacted copy of the Invoice is attached hereto and marked as **Exhibit “A”**. A copy of the complete Invoice has been provided to the Interim Receiver.
5. As set out in the Invoice, Blakes expended a total of 119.7 hours, with total fees in the amount of \$79,145.50. The average hourly rate is \$661.20.
6. Attached hereto and marked as **Exhibit “B”** is a summary of the lawyers whose services are reflected in the Invoice, including year of call, hourly rate and the total fees and hours billed.
7. The total amount being claimed for the work performed by Blakes for the period from September 6, 2022 to September 23, 2022 is \$89,434.42, including \$79,145.50 for fees, \$0.00 for disbursements and \$10,288.92 for HST.

8. This affidavit is sworn in support of the Interim Receiver’s motion for, among other things, approval of its fees and disbursements and those of its legal representatives and for no other purpose.

SWORN BEFORE ME

in person OR by video conference
at the City of Toronto, on October 19, 2022.



A Commissioner for Taking Affidavits, etc.

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CHRIS BURR

Nancy Ann Thompson, a Commissioner, etc.,
Province of Ontario, for Blake, Cassels & Graydon LLP,
Barristers and Solicitors. Expires July 13, 2024.

This is **Exhibit "A"** referred to in the

Affidavit of Chris Burr

sworn before me
this 19th day of October, 2022



A Commissioner, etc.

Nancy Ann Thompson, a Commissioner, etc.,
Province of Ontario, for Blake, Cassels & Graydon LLP,
Barristers and Solicitors. Expires July 13, 2024.



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

INVOICE

Please write invoice
 number(s) on cheque

October 13, 2022


KSV Restructuring Inc.
 150 King Street West
 Suite 2308, Box 42
 Toronto, ON M5H 1J9
 Canada

Invoice: 2337054
 Billing Lawyer Burr, Chris
 HST/GST No.: R119396778
 Client: 00025198
 Matter: 000004

Attention: Noah Goldstein
 Managing Director

Re: Allied Track Services Insolvency

FOR PROFESSIONAL SERVICES RENDERED
 during the period ended September 30, 2022, as follows:

Total Fees	\$ 79,145.50
Harmonized Sales Tax (13.0%)	10,288.92
TOTAL DUE IN CANADIAN CURRENCY	\$ 89,434.42 CAD 



Invoice: 2337054
 Date: October 13, 2022
 Page: 2

Re: Allied Track Services Insolvency (000004)

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
09/06/22	Burr, Chris	Preparing for and attending interim receivership appointment motion; engaged regarding employee letters; coordinating delivery of employee letters; calls with KSV and Allied teams regarding recipients of retained employee letters.	2.9	895.00	2,595.50
09/06/22	Cukierman, Daryl	Email correspondence with C. Burr regarding notice to union of pending layoffs; reviewing collective agreement in connection with same.	0.3	750.00	225.00
09/06/22	McIntyre, Caitlin	Preparing for and attending hearing for interim receiver appointment; coordinating preparation of termination and retention letters to employees.	3.8	730.00	2,774.00
09/06/22	Riviglia, Anna	Submitted, order, requisition and endorsement to be filed with the court.			25.00
09/06/22	Thompson, Nancy	Receiving instructions from C. McIntyre and updating CaseLines documents accordingly; attending hearing to provide support; e-mail messages from and to the Commercial List office forwarding the Notice of Application for issuing and handling of the signed Order; reviewing issued Notice of Application and e-mail messages to and from filing clerks arranging for payment of the filing fee; reviewing signed Order; preparing requisition and arranging for Order to be entered; reviewing e-mail message from C. McIntyre and attached letters to employees; coordinating and assisting with preparation of employee letters; assembling pdf copies of all employee letters; various related e-mail messages; preparing electronic signature page and updating pdf copies of employee letters; finalizing employee letters and e-mail message to each employee forwarding respective personalized letter; various e-mail messages to and from C. McIntyre, J. Wong, et al. regarding same; resolving undeliverable message and e-mail message to J. Wong regarding same.	8.5	475.00	4,037.50
09/07/22	Burr, Chris	Exchanging email messages with M. Vininsky regarding equipment leases; engaged regarding employee terminations; engaged	1.4	895.00	1,253.00



Invoice: 2337054
 Date: October 13, 2022
 Page: 3

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		regarding union correspondence issues; considering payment issues for temp agency; engaged regarding ██████████ letter.			
09/07/22	Cukierman, Daryl	Email correspondence with C. Burr and with C. McIntyre regarding labour and employment matters in connection with insolvency, including potential application of mass termination obligations; reviewing ESA requirements in connection with same.	0.8	750.00	600.00
09/07/22	McIntyre, Caitlin	Researching mass termination rules and correspondence with interim receiver regarding same; drafting letter to union representative.	1.4	730.00	1,022.00
09/07/22	Thompson, Nancy	Arranging for printing of labels and copies of employee letters for mailing; reviewing e-mail messages regarding delivery of copies of employee letters to the unions; preparing and assembling copies of employee letters for mailing; reviewing e-mail message from J. Wong and preparing additional employee letter; e-mail message to employee forwarding same.	2.2	475.00	1,045.00
09/08/22	Burke, Michael	Email from and telephone call with C. Burr on insolvency and PPSA scope question.	0.5	1,120.00	560.00
09/08/22	Burr, Chris	Reviewing LMS lease and PPSA search results; discussions with M. Vininsky regarding same; reviewing scope of NOI stay and ability to consent to lift; discussions with M. Burke regarding LMS; exchanging email messages with M. Vininsky regarding LMS leases; drafting letter to LMS regarding same; further review of case law regarding true leases for a period of more than a year; exchanging email messages with Blakes and KSV teams regarding outstanding issues.	3.5	895.00	3,132.50
09/08/22	McIntyre, Caitlin	Coordinating filing of materials.	0.1	730.00	73.00
09/08/22	Thompson, Nancy	E-mail message to the court office seeking direction for the filing of the application record, etc.; reviewing response; e-mail message to the filing clerks regarding same.	0.3	475.00	142.50
09/09/22	Burr, Chris	Call with KSV team regarding LMS correspondence; forwarding draft letter to PwC team; engaged with J. Birch regarding ONTC contract; finalizing and sending LMS letter; finalizing and sending ██████████ letter.	1.9	895.00	1,700.50



Invoice: 2337054
 Date: October 13, 2022
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Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
09/09/22	McIntyre, Caitlin	Call with working group regarding LMS leases.	0.6	730.00	438.00
09/09/22	Riviglia, Anna	Submitted Application Record and Factum to be filed with the court.			25.00
09/09/22	Thompson, Nancy	Preparing the Application Record, Factum and affidavit of service for filing; e-mail message to the filing clerks arranging for same.	0.5	475.00	237.50
09/12/22	Burr, Chris	Exchanging email messages with KSV working group regarding liquidators; considering receivership and discussing same with KSV team; reviewing leases.	2.3	895.00	2,058.50
09/13/22	Burr, Chris	Exchanging email messages with M. Vininsky regarding ONTC contract; coordinating correspondence to CN and Fonthill with C. McIntyre; reviewing and commenting on CN and Fonthill letter; status call with M. Vininsky; call with K. Jackson regarding CP agreement; exchanging email messages with G. Moffat regarding court time for receivership application; exchanging email messages with J. Birch regarding ONTC contract.	1.6	895.00	1,432.00
09/13/22	McIntyre, Caitlin	Drafting letters in respect of CN and Fonthill.	1.9	730.00	1,387.00
09/13/22	Thompson, Nancy	Receiving instructions from C. Burr; e-mail message to the Commercial List office requesting available dates; drafting request form and e-mail message to C. Burr forwarding same for review; follow-up e-mail messages regarding request form; e-mail message to the Commercial List office forwarding the signed request form; reviewing PPSA search results from December 2020 and drafting search summary.	4.7	475.00	2,232.50
09/14/22	Burr, Chris	Reviewing proposed ONTC resolution; call with J. Birch regarding same; status call with PwC team; exchanging email messages with J. Birch; exchanging status email with KSV team.	2.2	895.00	1,969.00
09/14/22	McIntyre, Caitlin	Call regarding conversion of proceedings to receivership; conducting research regarding payment of union dues in receivership.	1.3	730.00	949.00
09/14/22	Thompson, Nancy	Reviewing PPSA search results from December 2020 and drafting search	3.0	475.00	1,425.00



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 Date: October 13, 2022
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Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		summary; finalizing search summary; e-mail message to C. Burr forwarding copy of search summary; follow-up message to the Commercial List for confirmation of hearing date.			
09/15/22	Burr, Chris	Engaged regarding ONTC agreement, union dues and HST remittance obligations; call with KSV regarding same; discussions with C. McIntyre regarding receivership application and ancillary relief, and union dues; reviewing and commenting on draft report; reviewing notices of motion and orders prepared by C. McIntyre; exchanging email messages with G. Page regarding draft report.	4.6	895.00	4,117.00
09/15/22	McIntyre, Caitlin	Drafting materials in relation to appointment of s. 243 receiver; conducting research regarding payment of union dues by receiver.	5.2	730.00	3,796.00
09/15/22	Thompson, Nancy	Discussion with C. McIntyre regarding motion materials to be prepared; reviewing files for precedent transfer of venue order and supporting materials; discussion with K. Wu regarding same and style of cause for the motion in the NOI proceeding; preparing cover pages and index for motion materials in interim receivership, new receivership, and proposal proceeding application/motions; reviewing and revising the draft notice of motion and order in respect of formatting issues, insert court file number, etc.; drafting service list; various e-mail messages and discussions regarding preparation of motion materials.	4.2	475.00	1,995.00
09/16/22	Burr, Chris	Discussions with G. Moffat regarding notice of application; engaged regarding service issues; call with M. Vininsky regarding comments on draft report; discussions with N. Thompson regarding filing motion and application materials; finalizing report; engaged regarding finalizing two motion records and one application record for service and filing; reviewing correspondence from A. Action; discussions with M. Vininsky regarding same; drafting response to A. Action; forwarding same to PwC team with comments.	6.2	895.00	5,549.00
09/16/22	McIntyre, Caitlin	Drafting materials in respect of receivership,	4.5	730.00	3,285.00



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 Date: October 13, 2022
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Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		proposal extension and interim receiver fee approval.			
09/16/22	Thompson, Nancy	Various e-mail messages and discussions regarding scheduling of hearing; preparing request forms for receivership application and motion in interim receivership proceedings; finalizing cover e-mail message and forwarding same and the request forms to the Commercial List office; reviewing and revising the draft notice of application and e-mail messages circulating same; reviewing and revising draft service list for receivership application and e-mail messages circulating same; preparing service list for interim receivership and NOI proceedings; e-mail messages from and to C. Burr regarding numbers of termination and retention letters; reviewing report and assembling copies of appendices; e-mail messages regarding same; e-mail messages regarding issuing of notice of application for receivership application; reviewing and revising the consent to act and related e-mail messages regarding same; revising and finalizing cover pages and draft order; preparing blackline of receivership order to model order; assembling application record and circulating same for review; assembling motion record for interim receivership proceedings and circulating same for review; assembling motion record for NOI proceedings and circulating same for review; finalizing application record and two motion records for service; setting up folder on sync.com for service and uploading copies of motion materials; various e-mail messages to and from C. McIntyre and C. Burr.	8.8	475.00	4,180.00
09/17/22	Burr, Chris	Revising A Action letter to incorporate comments from working group; finalizing and sending same.	0.7	895.00	626.50
09/19/22	Amoroso, Carlo	Submitting application record and service returnable Sept-23-2022 in CV-22-00687383-00CL for filing through the e-portal.			25.00
09/19/22	Amoroso, Carlo	Submitting Motion record and AOS returnable Sept-23-2022 for CV-22-00686556-00CL for filing through the e-portal.			25.00
09/19/22	Burr, Chris	Exchanging email messages with KSV team	3.4	895.00	3,043.00



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Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		regarding A Action and ONTC; engaged with A Action demand; drafting letter to Falcon lessor; engaged regarding Director and Officer issues; call with PwC team regarding status of open issues; engaged regarding transferring proposal proceedings to Toronto; further engaged on A Action claim.			
09/19/22	McIntyre, Caitlin	Engaged regarding filing of application and motion materials, preparing and finalizing corresponding service materials and proof of same.	1.7	730.00	1,241.00
09/19/22	Thompson, Nancy	E-mail messages from and to C. McIntyre regarding affidavit of service and conference call to commission same; e-mail messages to and from the filing clerks and arranging for service of the application record and the motion in the interim receivership proceedings; various e-mail messages and discussions regarding the motion record for the NOI proceeding.	1.1	475.00	522.50
09/19/22	Wu, Kevin	Considering the repairers and storage liens act issue; considering receiver's obligation regarding vacation benefits.	3.2	350.00	1,120.00
09/20/22	Burr, Chris	Exchanging email messages with M. Vininsky regarding status of outstanding matters; discussions with K. Wu regarding A Action RSLA analysis; engaged regarding transfer of proposal proceedings to Toronto; call with M. Vininsky regarding open issues and A Action claim; engaged regarding HST remittance issues; reviewing correspondence regarding Manitoba extraprovincial registration; reviewing email from Union counsel.	2.0	895.00	1,790.00
09/20/22	McIntyre, Caitlin	Call with interim receiver regarding leases; researching unremitted HST.	1.4	730.00	1,022.00
09/20/22	Thompson, Nancy	Discussion with C. McIntyre regarding process for transferring NOI proceedings to the Commercial List; reviewing practice direction; reviewing and revising request form and circulating same; preparing cover e-mail message to the Commercial List office and e-mail to C. Burr forwarding same for review and comment; finalizing e-mail message to the Commercial List.	1.2	475.00	570.00
09/20/22	Wu, Kevin	Considering the repairers and storage liens	5.5	350.00	1,925.00



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 Date: October 13, 2022
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Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		act issue; considering a receiver's obligation to remit HST.			
09/21/22	Burr, Chris	Exchanging email messages with J. Birch regarding ONTC contract; exchanging email messages with A Action regarding return of unit; reviewing letter to Court to transfer proposal to Toronto; exchanging email messages with K. Jackson; exchanging email messages regarding Queenston Motors; reviewing VIN searches; reviewing factum for proposal motion; exchanging email messages with KSV team regarding leasing issues; drafting Aide Memoire for motions and application; exchanging email messages with G. Moffat regarding same.	4.3	895.00	3,848.50
09/21/22	McIntyre, Caitlin	Preparing letter regarding transfer of proposal to commercial list; researching payment of union dues and unremitted HST.	1.4	730.00	1,022.00
09/21/22	Roininen, Marti	Conducting PPSA searches and circulating with comments.	0.5	495.00	247.50
09/21/22	Thompson, Nancy	Follow-up message to the Commercial List office regarding scheduling of the motion in the NOI proceedings; updating the services lists and related e-mail messages circulating same; uploading motion materials to CaseLines; reviewing e-mail message from the Commercial List office regarding change of hearing time and judge and e-mail messages regarding same; various e-mail messages and discussions regarding approach for transfer of NOI proceeding; assisting with finalizing letter to the Commercial List office regarding transfer of NOI proceedings and e-mail messages regarding same; e-mail messages regarding Zoom details and service on the service list; drafting participant information form; revising Aide Memoire to incorporate changes from C. Burr and e-mail messages regarding same.	3.5	475.00	1,662.50
09/22/22	Burr, Chris	Call with representative of Setay motors; call with A. Driedger regarding submissions at hearing.	0.8	895.00	716.00
09/22/22	McIntyre, Caitlin	Call with E. Hallas; revising Aide Memoire; coordinating transfer of proposal to commercial list; drafting factum regarding extension of time to file a proposal.	3.0	730.00	2,190.00



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 Date: October 13, 2022
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Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
09/22/22	Roininen, Marti	Pulling the Ontario PPSA search; reviewing and circulating same with a summary of results.	0.4	495.00	198.00
09/22/22	Thompson, Nancy	E-mail message to C. McIntyre regarding returned retention letters; reviewing and revising draft participant information form and e-mail messages circulating same for review and comment; reviewing e-mail message from the Commercial List office advising of approval for transfer of the NOI proceeding; e-mail messages and discussions regarding steps for transferring the NOI proceeding; reviewing and revising request form; drafting form of order for transferring the NOI proceeding and form of order for remaining relief; e-mail message to the Commercial List office forwarding request form and draft order; revising factum and assisting with preparing final copy for service; conference call with C. McIntyre and commissioning the affidavit of service; assembling materials and arranging for the motion record in the NOI proceeding and the factum to be filed with the court; revising and updating the form of orders and e-mail messages circulating same for final review; e-mail message to the Commercial List intake office forwarding NOI motion record for filing; reviewing and revising joint participant information form and e-mail messages circulating same for final review; reviewing e-mail message from C. Burr and attached list of VINs; comparing to prior PPSA search results and identifying remaining VINs to be searched; conducting VIN PPSA searches; e-mail message to C. Burr advising of preliminary search results.	6.4	475.00	3,040.00
09/23/22	Amoroso, Carlo	Submitting signed order of Justice Osborne to be issued and entered (CV-22-00687383-00CL).			25.00
09/23/22	Amoroso, Carlo	Submitting signed order of Justice Osborne to be issued and entered (CV-22-00686556-00CL).			25.00
Total Fees for this Matter					\$ 79,145.50

Matter Timekeeper Summary	ID	Hours	Rate (\$)	Amount (\$)
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Invoice: 2337054
 Date: October 13, 2022
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Matter Timekeeper Summary	ID	Hours	Rate (\$)	Amount (\$)
Amoroso, Carlo	CAMO	0.0	0.00	100.00
Burke, Michael	MEB	0.5	1,120.00	560.00
Burr, Chris	BUR	37.8	895.00	33,831.00
Cukierman, Daryl	DBC	1.1	750.00	825.00
McIntyre, Caitlin	CAI	26.3	730.00	19,199.00
Riviglia, Anna	ANR	0.0	0.00	50.00
Roininen, Marti	MRO	0.9	495.00	445.50
Thompson, Nancy	NAB	44.4	475.00	21,090.00
Wu, Kevin	KVW	8.7	350.00	3,045.00
Total		119.7		\$ 79,145.50

Harmonized Sales Tax (13.0%)

10,288.92

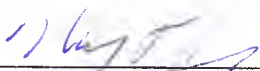
Total Due for this Matter in Canadian Currency

\$ 89,434.42 CAD

This is **Exhibit "B"** referred to in the

Affidavit of Chris Burr

sworn before me
this 19th day of October, 2022



A Commissioner, etc.

Nancy Ann Thompson, a Commissioner, etc.,
Province of Ontario, for Blake, Cassels & Graydon LLP,
Barristers and Solicitors. Expires July 13, 2024.

EXHIBIT “B”

Name of Lawyer	Practice Group	Year of Call	Hourly Rate	Total Hours
Burke, Michael	Financial Services (Toronto)	1988	\$1,120.00	0.5
Burr, Chris	Restructuring & Insolvency (Toronto)	2008	\$895.00	37.8
Cukierman, Daryl	Employment & Labour (Toronto)	2006	\$750.00	1.1
McIntyre, Caitlin	Restructuring & Insolvency (Toronto)	2017	\$730.00	26.3
Wu, Kevin	Restructuring & Insolvency (Toronto)	<i>Articling Student</i>	\$350.00	8.7
Nancy Thompson	Restructuring & Insolvency (Toronto)	<i>Law Clerk</i>	\$475.00	44.4
Roininen, Marti	Financial Services (Toronto)	<i>Law Clerk</i>	\$495.00	0.9
Amoroso, Carlo	Litigation (Toronto)	<i>Filing Clerk</i>	<i>Flat Rate</i>	0.0
Riviglia, Anna	Litigation (Toronto)	<i>Filing Clerk</i>	<i>Flat Rate</i>	0.0

Total Fees Billed:	\$79,145.50
Total Hours:	119.7
Average Hourly Rate:	\$661.20

Court File No.: CV-22-00686556-00CL

KSV RESCTRUCTURING INC., IN ITS CAPACITY AS
PROPOSAL TRUSTEE OF 2806401 ONTARIO INC. o/a
ALLIED TRACK SERVICES INC.

- and -

2806401 ONTARIO INC. o/a
ALLIED TRACK SERVICES INC.

Applicant

Respondent

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

Proceeding Commenced at Toronto

**AFFIDAVIT OF CHRIS BURR
Sworn October 19, 2022**

BLAKE, CASSELS & GRAYDON LLP
Barristers and Solicitors
199 Bay Street
Suite 4000, Commerce Court West
Toronto, Ontario M5L 1A9

Chris Burr, LSO #55172H
Tel: 416-863-3261
Fax: 416-863-2653
Email: chris.burr@blakes.com

Lawyers for the Interim Receiver

Confidential Appendix “1”

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

**IN THE MATTER OF THE RECEIVERSHIP OF
2806401 ONTARIO INC. o/a ALLIED TRACK SERVICES INC.**

BETWEEN:

PRICEWATERHOUSECOOPERS INC.

(solely in its capacity as Court-appointed receiver and manager of Bridging Finance Inc.
and certain related entities and investment funds)

Applicant

- and -

2806401 ONTARIO INC. o/a ALLIED TRACK SERVICES INC.

Respondents

CONFIDENTIAL APPENDIX

**CONFIDENTIAL APPENDIX 1 -
Summary of Liquidation Proposals
TO THE FIRST REPORT OF THE RECEIVER
DATED OCTOBER 20, 2022**

TO BE FILED SEPARATELY WITH THE COURT

Confidential Appendix “2”

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

**IN THE MATTER OF THE RECEIVERSHIP OF
2806401 ONTARIO INC. o/a ALLIED TRACK SERVICES INC.**

BETWEEN:

PRICEWATERHOUSECOOPERS INC.

(solely in its capacity as Court-appointed receiver and manager of Bridging Finance Inc.
and certain related entities and investment funds)

Applicant

- and -

2806401 ONTARIO INC. o/a ALLIED TRACK SERVICES INC.

Respondents

CONFIDENTIAL APPENDIX

**CONFIDENTIAL APPENDIX 2 -
Auction Services Agreement dated October 19, 2022 (unredacted)
TO THE FIRST REPORT OF THE RECEIVER
DATED OCTOBER 20, 2022**

TO BE FILED SEPARATELY WITH THE COURT

TAB 3

Court File No.: CV-22-00687383-00CL

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

THE HONOURABLE MADAM)	FRIDAY, THE 28 TH
)	
JUSTICE CONWAY)	DAY OF OCTOBER, 2022

IN THE MATTER OF THE RECEIVERSHIP OF 2806401 ONTARIO INC.
o/a ALLIED TRACK SERVICES INC., A CORPORATION
INCORPORATED UNDER THE LAWS OF ONTARIO

BETWEEN:

PRICEWATERHOUSECOOPERS INC.

(solely in its capacity as Court-appointed receiver and manager of Bridging Finance Inc.
and certain related entities and investment funds)

Applicant

- and -

2806401 ONTARIO INC. o/a ALLIED TRACK SERVICES INC.

Respondent

ORDER

(Approving Auction Services Agreement, and Ancillary Matters)

THIS MOTION made by KSV Restructuring Inc., (“**KSV**”) in its capacity as receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of 2806401 Ontario Inc. o/a Allied Track Services (the “**Debtor**”) for an order, among other things, approving the auction services agreement dated October 19, 2022 (the “**ASA**”) between the Receiver and Corporate Assets Inc. (the “**Auctioneer**”) to

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(i) permit the Auctioneer to conduct a sale of the assets set out in the ASA, and (ii) vesting all right, title and interest of the Debtor in and to the assets described in Schedule “A” to this Order, and any assets of the Debtor that may be added to Schedule A of the ASA by the Receiver and the Auctioneer (the “Assets”) to the purchasers as identified by the Auctioneer pursuant to the ASA, was heard this day by judicial videoconference via Zoom in Toronto, Ontario.

ON READING the First Report of KSV as Receiver dated October 19, 2022 (the “**First Report**”) and on hearing the submissions of counsel for the Receiver, and those other counsel and parties listed on the Participant Information Form, no one else appearing although duly served as appears from the affidavit of service of [Nancy Thompson] sworn October [DATE], 2022,

SERVICE

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

APPROVAL AND VESTING

2. **THIS COURT ORDERS AND DECLARES** that the ASA and the transactions contemplated thereby are hereby approved, with such minor amendments as the Receiver and the Auctioneer may deem necessary and agree to in writing. Subject to the provisions of this Order, the Receiver is authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable to implement the ASA and the transactions contemplated therein.

3. **THIS COURT ORDERS** that subject to the terms of the ASA, the Auctioneer be and hereby is appointed as agent of the Debtor to sell the Assets.

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4. **THIS COURT ORDERS** that, without limiting the generality of Paragraph 2, the Receiver and the Auctioneer are hereby authorized to sell, pursuant to the terms of the ASA, the Assets defined in the First Report as the LMS Units, the Danella Units and the Unregistered Setay Units, which for greater certainty are scheduled as Assets to this Order.

5. **THIS COURT ORDERS AND DECLARES** that effective upon the delivery of a bill of sale by the Auctioneer to a purchaser (each, a “**Purchaser**”), any sale of the Assets set out in such bill of sale by the Auctioneer on behalf of the Debtor to a Purchaser shall be free and clear of and from any and all security interests (whether contractual, statutory or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) charges created by the order of Mr. Justice Osborne issued on September 23, 2022, and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of the foregoing, collectively, “**Encumbrances**”), and for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the Assets set out in such bill of sale shall be deemed expunged and discharged as against the Assets and that all of the Debtor’s right, title and interest in and to the Assets shall vest absolutely in the applicable Purchaser.

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds payable to the Receiver from the sale of the Assets (the “**Net Proceeds**”) shall stand in the place and stead of the Assets, and that from and after the delivery of the bill of sale delivered by the Auctioneer to the Purchaser, all Claims and Encumbrances

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shall attach to the Net Proceeds from the sale of the Assets with the same priority as they had with respect to the Assets immediately prior to the sale as if the Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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

- (a) The pendency of these proceedings;
- (b) Any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) in respect of the Debtor, any bankruptcy order issued pursuant to any such application, or any deemed assignment resulting from the Debtor’s failure to file a proposal pursuant to section 50.4(8) of the BIA; and
- (c) Any assignment in bankruptcy made in respect of the Debtor;

the transaction as contemplated by the ASA and the vesting of the Assets in the Purchasers pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute or be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT DIRECTS** the Receiver to segregate the proceeds of sale of the LMS Units (as defined in the First Report) received by the Receiver from the Auctioneer (the “**LMS Proceeds**”), which LMS Proceeds shall not be distributed by the Receiver except by further order of this Court.

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VIN REGISTERED SETAY UNITS

9. **THIS COURT AUTHORIZES** the Receiver to (a) return the VIN Registered Setay Units, as defined in the First Report and as itemized in Schedule “B” hereto (the “**VIN Registered Setay Units**”) to Setay Motors Inc. (“**Setay**”), and (b) to pay all rent owing to Setay in respect of the VIN Registered Setay Units for the period beginning on August 25, 2022 and ending on the date that the VIN Registered Setay Units are returned to Setay, in the amounts required by the applicable Setay Lease (as defined in the First Report).

SEALING

10. **THIS COURT ORDERS AND DECLARES** that the Confidential Appendices to the First Report be and are hereby sealed and shall be treated as confidential until (a) the later of (i) the end of the Auction Period (as defined in the ASA), or (ii) all Assets are sold to Purchasers, or (b) further order of this Court.

APPROVAL OF ACTIVITIES

11. **THIS COURT ORDERS** that the activities of the Receiver described in the First Report, occurring between September 23, 2022 and October 19, 2022, in relation to the Debtor and these proceedings, are hereby ratified and approved, provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

GENERAL

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or any other jurisdiction to give effect to this Order and assist the Purchasers, the Receiver and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and

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administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Purchasers and the to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Purchasers, the Receiver and their respective agents in carrying out the terms of this Order.

13. **THIS COURT ORDERS** that this order is effective from today's date and is made and enforceable without any need for entry or filing.

SCHEDULE "A"

ASSETS

<u>Asset #</u>	<u>Description</u>	<u>Serial No/VIN/Other</u>
RAIL TOOLS AND EQUIPMENT		
10-10H TO 18H	IMPACT WRENCHS	8 UNITS
20-5W TO 11W	WELDERS PORTABLE/SHOP	4 UNITS
23-1 TO 5 PP	GIESMAR HYD POWER PACKS	5 UNITS
23-1G	GENERATOR	
23-2G	GENERATOR	
30-10C	TIE CART OTM	Fabricated IN North Bay SHOP.
30-11C	BALLAST CAR	
30-12C	BALLAST CAR	
30-13C	OTM CART	Fabricated IN North Bay SHOP.
30-14C	OTM CART	Fabricated IN North Bay SHOP.
30-15C	TIE CART OTM	Fabricated IN North Bay SHOP.
30-16C	OTM CART	Fabricated IN North Bay SHOP.
30-17C	OTM CART	Fabricated IN North Bay SHOP.
30-18C	OTM CART	Fabricated IN North Bay SHOP.
30-19C	OTM CART	Fabricated IN North Bay SHOP.
40-6B	Bearsaw	441 S/N N/A
41-7P TO 14P	PROFILE GRINDERS/SWITCH POINT	7 UNITS TOTAL LOT
50-1S	SCRAP RECLAIMER	FAIRMOUNT S/N N/A
50-2S	SCRAP RECLAIMER	HOLLEY S/N N/A
50-3S	SCRAP RECLAIMER/DUAL	HOLLEY
50-4S	SCRAP RECLAIMER/SPIKE PLUCKER	HOLLEY S/N 588
64-9J-L	64-9J-L Auto Lift - 2014 Nordic	790677RB-UG
64-10J-L	64-10J-L Plate Jack - 2015 Nor	790683RB-UG
64-11J-L	64-11J-L Auto Lift - 2015 Nord	790684RB-UG
64-12J-L	2016 Nordco Auto Lift	791084
65-5P	65-5P Super Claw - Nordco Supe	438
65-8P	65-8P Spike Puller - 2005 Nor	45022005
65-12P	65-12P Spiker Puller - 2012 No	310223
65-13P	65-13P Spike Puller - 2012 Nor	310224
65-14P	65-14P Spike Puller - 2012 Nor	310254
65-16P-L	65-12P Spiker Puller - 2012 No	310345
65-17P-L	65-17P-L Spike Puller - 2015 N	310349
70-2H	RAIL HEATER	
U79-10	SKID SPRAYER/BOOMLESS BAR	

Asset #	Description	Serial No/VIN/Other
80-7B	BLOWER MACHINE	
80-5B	NORDCO MODEL M	
80-11B-L	80-11B-L 4600 Regulator	4600-201-15
80-12B-L	80-12B-L 4600 Regulator	4600-202-15
80-13B-L	80-13B-L M7 Regulator	800601
80-14B-L	M7 Regulator SNOW PLOW ATTACHEMENTS for item below	QTY 2
80-14B-L	80-14B-L M7 Regulator	800602
80-16B-L	80-16B-L 46-2 Regulator	46-343-12RB-UG
80-17B	80-17B 4600 Regulator	4600-217-15
81-12C	904A Liebherr	
81-14C	904A Liebherr/LONG REACH	
81-8C	902 LIEBHERR	7022480
81-20	81-20 Hitachi - 2015 / RT60B #	HCMCKB00J00001137
81-21	81-21 Hitachi - 2015 / RT60B #	HCMCKB00J00001130
81-22	81-22 Hitachi - 2015 / RT60B #	HCMLCC60K00004003
81-23	81-23 Hitachi - 2015 / RT60B #	HCMLCC60A00004007
82-5D	82-5D - 2004 Nordco CX Spiker	410500 ASF
82-6D	82-6D - 2009 Nordco CX Spiker	410141RB-UG
82-8D	82-8D - 2011 Nordco CX Spiker	410116RB-UG
82-10D	82-10D - Nordco CX Spiker	410728
82-13D-L	82-13D-L - 2015 Nordco CX Spiker	410395RB-UG
82-14D-L	82-14D-L - 2015 Nordco CX Spiker	410396RB-UG
82-15D-L	82-15D-L - 2015 Nordco CX Spiker	410397RB-UG
83-7I	83-7I Tripp - 2007 Model C	760589
83-9I	TR 10 TIE INSERTOR	
83-12I-L	83-12I-L Tripp - 2014 Model D	760589
83-13I-L	83-13I-L Tripp - 2015 Model D	760612
83-14I-L	83-14I-L Tripp - 2015 Model D	760613
84-8S	84-8S Pettibone (Pumpkin)	S/N 2652
84-13S-L	84-13S-L - 2015 Pettibone 445	SS10236-15
85-3T	85-3T - Jackson Tamper 6700	142414
85-9T	85-9T - 1988 Jackson Tamper -	6700
85-10T-L	85-10T-L - 2014 Harsco Tamper-	7114114
85-11T-L	85-11T-L - 2015 Harsco Tamper	7114174
85-13T-L	85-13T-L - 2015 Harsco Tamper	7114095
85-14T-L	85-14T-L - 2013 HST Nordco Tamper	61904013
85-16T	85-16T 2002 HTT Chase Tamper	153193
87-3Z-L	87-3Z-L - 2015 Cribber Adzer	38-218-15
88-1TM	TRACKMOBILE	31432470
88-4TM	TRACKMOBILE	
89-TS	89-TS - 1997 HTT-T50-27 TRACK	RM1090356
91-4X	LINK BELT	ECHJ8-3779
91-7X-L	2005 John Deer Excavator 120C	FF120CX035557
93-1B	580K CASE	JAB0004932
93-3B	JCB BACKHOE/WITH HIRAIL	SLP214TC8U09107

<u>Asset #</u>	<u>Description</u>	<u>Serial No/VIN/Other</u>
93-18	2018 CAT 430 Backhoe Loader	CAT0430FALYE00214
96-1P	RAIL PULLER	
96-2P	RAIL PULLER	
92-4P	RAIL BENDER	
HEAVY TRUCKS		
705	MACK BOOM TRUCK	SERCA BOOM S/N 1M2AG10J96M030420
706	MACK BOOM TRUCK/ WITH MAG	SERCS BOOM
710	Westernstar 4900SB Truck	5KJRALD12GPHN1133
711	PETERBILT 367	WET LINE
712	Peterbilt Truck	WET LINE 1XP-FDBOX
326	ROTARY DUMP	1FDZS96P2WVA24110
501	DODGE 5500/SERVICE BODY/CRANE	FIELD MECHANIC UNIT 3J7WRNBL5 88988
502	DODGE 5500/SERVICE BODY/CRANE	3C7WRNBL3FG505882
930	2000 Freightliner FL 80 Hi Rail	1FVXJBB7YHF87320
	VHD64B200 6X4, Reg-Cab, Grapple Truck, W/HI-RAIL	4V5KC9DG9EN155944
	VHD64B200 6X4, Reg-Cab, Grapple Truck, W/HI-RAIL	4V5KC9DG5GN952999
FLOAT TRAILERS		
801	LOAD KING	DROP DECK
804	LANDOLL 410B	TILT AND LOAD WITH RAIL KIT S/N 1ZH410VJ391817421
814	MAGNUM BOOSTER AXLE	S/N 2P9BD16697A015478
822	LOW BOY WITH RAIL KIT.	DROP DECK
ENCLOSED TRAILERS		
812	CARGO MAX	
813	JDJ TRAILER	2J9UTE625M1022234
816	ENCLOSED TRAILER	
818	ENCLOSED TRAILER	56JTE1423JA158486
820	HITCHMAN TRAILER	2G9E35KBXCH019425
821	ENCLOSED TRAILER	5NHULE625AN071193
823	STEALTH ENCLOSED TRAILER	
960	MIRAGE TANDEM TRAILER	
TRUCKS/SUV		
156	FORD F150 SUPERCREW XLT	1FTFW1ET5EFB63393
157	FORD F150 SUPERCREW XLT	1FTFW1ET6EFA33414
158	CHEV 1500 SUPERCREW 4x4	
159	CHEV 1500 SUPERCREW 4x4	2GCUKPEC8EG242948
161	FORD F150 SUPERCREW XLT	
162	CHEV 1500 SUPERCREW 4X4	3GCUKREC1EG128205
174	Ford Edge SEL	2FMPK4J95GBC47595
214	CHEV 2500 SUPERCREW 4X4-	1GC1KVCG8EF18100

<u>Asset #</u>	<u>Description</u>	<u>Serial No/VIN/Other</u>
215	CHEV 2500 SUPERCREW 4X4-	1GC1KVCG0EF182324
320	FORD F150	1FTFW1CT9CFC14328
322	FORD COF/ Tank	
323	FORD F150 SUPER CAB	1FTEW1CM9DFA25491
324	FORD F150 SUPER CAB	1FTFW1ET0DKD39014
325	FORD F150	1FOXF46F92EB99793
	F750 4X2, CREW-CAB, WELDING TRUCKING, W/HI-RAIL	3FRXW7FGXDV786030
	2015 1500 SUPER CREW (ALLIED) / SILVERADO	1GCVKSEC2FZ223269
	2015 CHEVROLET SILVERADO	3GCUKSECXFG398736
	2016 CHEVROLET SILVERADO CREW CAB	1GC1KUEG2GF106369
	2015 FORD F-250/F-350	1FT8W3B63FEC58789
	2015 FORD F-350 CREWCAB XL	1FT8W3B63FEC59792
	2015 FORD F-350 CREWCAB XL	1FT8W3B62FEC67415
	2015 FORD F-350 CREWCAB XL	1FT8W3B62FEC94386
	2016 FORD F-350 CREWCAB XL	1FT7W2B63FEC19637
	2016 FORD F-350 CREWCAB XL	1FT8W3B63GEC27653
	2016 FORD F-350 CREWCAB XL	1FT8W3B65GEC27654
	2016 FORD F-350 CREWCAB XL	1FT8W3B6XGEC36480
	2016 FORD F-350 CREWCAB XL	1FT8W3B61GEC36481
	2016 FORD F-250 CREWCAB XL	1FT7W2B69GED34602
	2016 FORD F-250 CREWCAB XL	1FT7W2B6XGED43809
	2016 FORD F-250 CREWCAB XL	1FT7W2B66GED43810
	2016 FORD F-250 CREWCAB XL	1FT7W2B68GED43811
	2016 FORD F-250 CREWCAB XL	1FT7W2B6XGED43812
	2016 FORD F-250 CREWCAB XL	1FT7W2B61GED43813
	2016 FORD F-350	1FT8W3B61GED34605
	2017 FORD F-250	1FT7W2B66HED74816
	2017 FORD F-250	1FT7W2B67HED82052
	2017 FORD F-250	1FT7W2B67HED97814
	2017 FORD F-250	1FT7W2B67HEE11517
	2017 FORD F-250	1FT7W2B69HEE11518
	2017 FORD F-250	1FT7W2B69HED97815
	2017 FORD F-250	1FT7W2B61HED97811
	2017 FORD F-250	1FT7W2B60HED97816
	2017 FORD F-350 SUPERDUTY	1FT8W3B64HEE11520
	2017 FORD F-350 SUPERDUTY	1FT8W3B68HEE11519
	2017 FORD F-350 SUPERDUTY	1FT8W3B62HEE39638
	2017 FORD F-350 SUPERDUTY	1FT8W3B64HEE39639
	2019 FORD F-350	1FT8W3B68LED73329
	2019 FORD SRW CREWCAB	1FT7W2B62KED88977
	2019 FORD F-250	1FT7W2B62KEE30371
	2019 FORD F-350	1FT8W3B68KEE30370
	2018 FORD F-350 CREWCAB	1FT7W3BT5JEC00723
	2018 FORD F-250	1FT7X2B64JEB76822
	2014 FORD F-350 CREWCAB	1FT8W3B67EEB71133
	2015 FORD F-350 CREWCAB	1FT8W3B60FEC47955
	2019 FORD F-350	1FT8W3B62KEG81840

<u>Asset #</u>	<u>Description</u>	<u>Serial No/VIN/Other</u>
	2019 FORD F-350	1FT8W3B65KEG81847
	2019 FORD F-350 SRW	1FT8W3B63KEG81846
	2018 FORD F-350	1FT8W3B61JEC30039
	2020 FORD F-250 SRW	1FT7W2B60LEE14025
	2020 FORD F-250 SRW	1FT7W2B64LEE14027
	2020 FORD F-350 SRW	1FT8W3B69LED81634
	2019 FORD F-250	1FT7W2B6XKEG81882
	2022 FORD F-350 SUPERDUTY	1FT8W3B61NED08891
	2022 FORD F-350 SUPERDUTY	1FT8W3B63NED08892
906	FORD F250	1FT7W2B60CEB62793
905	FORD F350	1FT8W3B69BEB27193
155	FORD F150 SUPERCREW XLT	1FTFWIEF6EF634463
175	FORD F-150	1FTEW1EFXGFC86079
900	FORD F350 XL SUPER DUTY 6IT DEISEL	
VANS		
126	FORD ECO PASSENGER	
128	SAVANA 3500. RETIRED	
129	FORD TRANSAT	1FBAX2CM3FKA25311
130	FORD TRANSAT	1FBAX2CM5FKA23706
OTM TRACKER		
81-24-L	PETERBILT 5500 POWER UNIT	1NPAXBEX85D833104
91-7X-L	JOHN DEERE W/GRAPPLE ATTACHMENTS FOR UNIT MAG	MAG FOR UNIT
815-TR-L	MAJESTIC 3 AXLE TRAIL FOR OTM	
816	CARGO MATE ORBL82OTA2	5NHUBLV23FB453126
BC-03	FAE BRUSH CUTTER/MULCHER	21-3614
SANDER/SALTER	SANDER/SALTER FOR PICK UP BOX	Qty 2
WC-01	WATER CART	
WC-02	WATER CART	
	UTILITY CART (SIGNALS)	
TR01	CUSTOM TRAILER NOT PLATED	N/A
	WASTE OIL TANKS QUANTITY 2	
	SHIPPING CONTAINER MISCELANEOUS TRACK TOOLS	
	BATEMAN RK MAGNET QTY 5	
	QTY 6 PLOWS, GRAPPLER, BOBCAT FORKS, WING PLOW	
80-14	SIDEWINGS	
80-13	TRAIN SNOWPLOW	
	SNOWPLOWS, TRUCK TIRES, SPARE METAL RAIL LINES, BOBCAT FORKS, TRAIN SWEEPERS ATTACHMENTS, JAW MOUNT, TIE CLAMPS, BOBCAT PLOWS, TIE BUNDLES	
81-17C	LIEBHERR-902 EXCAVATOR	
30-21C	Q-C CARTS QTY 2	

<u>Asset #</u>	<u>Description</u>	<u>Serial No/VIN/Other</u>
SHIPPING CONTAINER	HYDRAULIC CYLINDER, GAS FIRE SUPPRESSION MACHINE, 2 TON MOTOR LIFT, FLUID PUMPERS QTY 2, GRINDING STONES 2 SKIDS, TIE PLUGS, BAND STRAPPING QTY 10, HYDRAULIC RAIL SPREADER	
SHED	YELLOW COMPRESSOR (BELONGS TO BUILDING), BLUE COMPRESSOR (ALLIED)	
SHIPPING CONTAINER	GENERATORS QTY 4, POWER PACKS QTY 2, WATER PUMPS QTY 2, BLOWER PACKS QTY 2, HIGH CAPACITY EXTENSION CHORD, GAS DRILL, BOZ CART OPENER QTY 2, HYDRAULIC DRILL QTY 3, RAIL PULLER	
SHIPPING CONTAINER	RAIL GRINDER, PART CLEANER	
SHIPPING CONTAINER	FUEL TANK, SANDER,	
	TIE CARTS QTY 10	
	SHUNT CAR	
	TAMPER	
	FORD L8000 CRANE TRUCK	
	SPIKE PULLER QTY 2	
7801	TAMPER	
64-4J	Plate Jack	
	BEAR SAW	
3211-28	KERSHAW 504-4001	
	JACKSON TAMPER 3300	
	JACKSON TAMPER 143966	
	QTY 2, TOOL BOXES, OWNER DERREN	
	ENVIROMENTAL WASTE OILS	
	WORK BENCH, ALEMITE, OIL CONTAINER QTY 2	
	MISC. OIL	
	HASSCO WHITE 1100 LTR USED OIL TANK	S/N102077
	WORK BENCH, AIR HOSES	
	JET DRILL PRESS	
	METAL SAW CUTTER	
	SMOKE OUT PLYMORENT	
	WORK BENCH, WELDING RODS	
	METABO SANDING MACHINE	
	M7 DRILL	
	POWER FIST PRESS 50 TON	
	HYD-MECH S-20 BAND SAW 80 PANDROL POWER PACK	
	WORK BENCH, MISC. METAL PIPE SUPPLIES	
	THERMITE WELDING KITS	
	RACKING. METAL SUPPLIES	
	WORK TABLE	
	BUGGY, M4 BODY PARTS	
	MANUAL PORTABLE STRAPPING	
	SWITCH POINT GRINDER	

<u>Asset #</u>	<u>Description</u>	<u>Serial No/VIN/Other</u>
	MISC. ENGINES, LIFTING CHAINS, GEISMAN POWER PACK, PARTS FOR M7, ROCK DEFLECTORS	Lot
	DAKE POWER PRESS	
	ALTERNATOR STARTERS, SPROCKETS, FANS, HYDRAULIC CONTROL VALVES & RELAYS, PUMPS, EXHAUST PARTS, ASSORTED M4 PARTS, ASSORTED CX SPIKER PARTS, GASKETS, HOSES, TRIPPPARTS, REGULATOR PARTS	
	SHOP LUBRICANTS, CONSUMABLES, METRIC BOAT BINS, STANDARD BOAT BINS	
	BLUE CAGE, TOOLS, HOSES, POWER PACK, MISC. SHOP TOOLS	
	JACK STANDS QTY 4, GEAVY DUTY CHAINS FOR CRANE, MISC. SHOP TOOLS	
	HEAVY DUTY TRUCK MAINTENACE PARTS, ASSORTED FUEL FILTERS & AIR FILTERS, REFRIEND TRIPOD, BEAR SAW BLADES, FLORESCENT SPRAY PAINTY QTY. 25 CASES	
81-7C	902A LIEBHERR (SCRAP PARTS)	Equipment Defunct
23-50HI	PANDROL MODEL 100K	12840
	BLACK TRAILER	SCRAP
	TRI-AXLE	
DW-1	Cable Plow Ditch Witch Q125	

SCHEDULE "B"**VIN REGISTERED SETAY ASSETS**

	Make and Model	VIN
1	2019 Chevrolet Silverado	1GCUYBEFXKZ284481
2	2019 Chevrolet Silverado	1GCUYEED2KZ289741
3	2019 Chevrolet Blazer	3GNKBJRS4KS633973
4	2019 Chevrolet Silverado 1500	1GCUYBEFXKZ259516
5	2015 Chevrolet Express Cutaway Van	1GAWGPPF9F1144586
6	2015 Chevrolet Express Cutaway Van	1GAWGPPF9F1146547
7	2019 Chevrolet Silverado	1GCUYGED3KZ397829
8	2020 Chevrolet Silverado	1GCUYEED8LZ111334
9	2020 Chevrolet Silverado	1GCUYGELXLZ198673
10	2019 Chevrolet Equinox	2GNAXVEX0K6280555
11	2021 Chevrolet Silverado	1GCUYBEF9MZ109013
12	2017 Chevrolet Silverado 1500	3GCUKTEC1HG383566
13	2017 GMC Sierra	3GTU2MEC0HG214273
14	2019 GMC Sierra	1GTU9FEL1KZ225846

PRICEWATERHOUSECOOPERS INC.
(solely in its capacity as Court-appointed receiver and manager of
Bridging Finance Inc. and certain related entities and investment funds)

Applicant

- and - 2806401 ONTARIO INC. o/a
ALLIED TRACK SERVICES INC.

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding Commenced at Toronto

**ORDER
(Approving Auction Services Agreement,
and Ancillary Matters)**

BLAKE CASSELS & GRAYDON LLP
Barristers and Solicitors
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Lawyers for the Receiver

PRICEWATERHOUSECOOPERS INC.
(solely in its capacity as Court-appointed receiver and manager of
Bridging Finance Inc. and certain related entities and investment funds)

- and - 2806401 ONTARIO INC. o/a
ALLIED TRACK SERVICES INC.

Applicant

Respondent

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

Proceeding Commenced at Toronto

**MOTION RECORD
(Approval of Auction Services Agreement,
and Ancillary Matters)
Returnable October 28, 2022**

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