Court File No.: 12-CV-9757-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36 AS AMENDED

AND IN THE MATTER OF ALLIED SYSTEMS HOLDINGS, INC., ALLIED SYSTEMS (CANADA) COMPANY, AXIS CANADA COMPANY AND THOSE OTHER COMPANIES LISTED ON SCHEDULE "A" HERETO

APPLICATION OF ALLIED SYSTEMS HOLDINGS, INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

MOTION RECORD

(BID PROCEDURES MOTION RECOGNITION)
(Motion returnable: June 5, 2013)

May 28, 2013

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Barristers and Solicitors
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TORONTO, Ontario M5X 1G5

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Lawyers for the Applicant

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ONTARIO
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TAB 1

Court File No.: 12- CV-9757-00CL

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SUPERIOR COURT OF JUSTICE
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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ALLIED SYSTEMS HOLDINGS, INC., ALLIED SYSTEMS (CANADA) COMPANY, AXIS CANADA COMPANY AND THOSE OTHER COMPANIES LISTED ON SCHEDULE "A" HERETO

APPLICATION OF ALLIED SYSTEMS HOLDINGS, INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

NOTICE OF MOTION
(Bid Procedures Motion Recognition)
(Returnable June 5, 2013)

Allied Systems Holdings, Inc. (**"Allied US"**, the **"Applicant"** or the **"Foreign Representative"**), in its capacity as foreign representative of Allied US, Allied Systems (Canada) Company (**"Allied Canada"**), Axis Canada Company (**"Axis Canada"**) and those other entities listed on Schedule "A" hereto (the **"Chapter 11 Debtors"**) will make a motion to Justice Geoffrey Morawetz on June 5, 2013, at 10:00am at 330 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR:

1. an Order recognizing the Bid and Cure Amount Procedures Order (as defined below); and

2. such further relief as may be required in the circumstances and this Honourable Court deems just and equitable.

THE GROUNDS FOR THE MOTION ARE:

BACKGROUND INFORMATION

3. On June 10, 2012, the Chapter 11 Debtors filed involuntary and voluntary petitions with the United States Bankruptcy Court for the District of Delaware (the "**US Court**") pursuant to Chapter 11 of title 11 of the United States Bankruptcy Code (the "**Chapter 11 Cases**");

4. The Chapter 11 Debtors commenced proceedings pursuant to Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, pursuant to the Initial Recognition Order dated June 12, 2012 granted by this Court;

5. In the orders granted by this court thereafter (the "**Orders**"), *inter alia*: (a) the Chapter 11 Cases were recognized as a "foreign main proceeding" for the purposes of section 47 and 48 of the CCAA; (b) Allied US was appointed as the foreign representative of the Chapter 11 Debtors; (c) certain orders made in the US Court dated June 12, 2012 were recognized; and (d) Duff & Phelps Canada Restructuring Inc. was appointed as the information officer (the "**Information Officer**");

6. Since the commencement of the Chapter 11 Cases, the Chapter 11 Debtors have determined that selling substantially all of their assets and winding-down any remaining operations is the most effective way to maximize the value of the Chapter 11 Debtors' estates for the benefit of all stakeholders;

7. In connection with the above, The Chapter 11 Debtors have now entered into an asset purchase agreement (the "**Sale Agreement**") with New Allied Acquisition Co. LLC (or its designee pursuant to the terms of the Sale Agreement, the "**Stalking Horse Purchaser**") for a credit bid for the sale of purchased assets, which will serve as a "stalking horse" agreement in the Chapter 11 Debtors' sale process;

8. The Chapter 11 Debtors intend to seek approval of certain bid procedures and related relief on May 31, 2013;

9. Contemporaneously with that motion, the Chapter 11 Debtors are also seeking approval of a replacement debtor-in-possession loan facility of up to US$33.5 million, which motion is also scheduled for May 31, 2013 (the "**Replacement DIP Financing Order**"). It is a condition of the proposed Replacement DIP Financing Order that the Bid and Cure Amount Procedures Order (defined below) be granted and subsequently recognized by this Court;

THE PROPOSED US ORDER

10. The Chapter 11 Debtors have now filed a motion for a hearing set on May 31, 2013, seeking approval of, among other things:

    (a) Bid procedures (the "**Bid Procedures**") pursuant to which the Chapter 11 Debtors will solicit additional bids (in addition to the stalking horse bid pursuant to the Sale Agreement) and, if additional bids are received, conduct an auction for the sale of the assets;

    (b) Certain Cure Procedures (discussed in more detail below).

    (the "**Bid and Cure Amount Procedures Order**").

11. The Bid Procedures will expedite the sale process while promoting bidding that will result in the best offer for the Purchased Assets while providing appropriate protection for the Stalking Horse Purchaser;

12. The Chapter 11 Debtors have proposed procedures to determine cure amounts and facilitate a prompt resolution of cure disputes and objections relating to the assumption and assignment of certain agreements (the "**Cure Procedures**");

13. Under the proposed Cure Procedures, the Chapter 11 Debtors will prepare and distribute a notice to non-Debtor parties to all potential assumed and assigned agreements (the "**non-Debtor Parties**") listing the potential assumed and assigned agreement(s), and the cure amount(s);

14. Evidence of the Stalking Horse Purchaser's (or Successful Bidder's, as applicable) ability to comply with section 365 of the Bankruptcy Code, including the ability to perform the assumed and assigned agreements in the future, will also be provided to the non-Debtor parties;

15. Non-Debtor parties who fail to utilize the Cure Procedures to file and serve objections are deemed to have consented to the Cure Amount and are forever barred and estopped from objecting to the proposed Cure Amounts or asserting claims against the Chapter 11 Debtors, the Stalking Horse Purchaser, or the Successful Bidder;

16. It is proposed that the Cure Procedures apply to all eligible contracts including Canadian contracts;

17. In the event that the Bid and Cure Amount Procedures Order is approved by the US Court, recognition of that Order by this Court will facilitate the need and desire to proceed with a sale process as well as fulfill a condition to funding under the proposed Replacement DIP Facility;

GENERAL

18. The provisions of the CCAA;

19. 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 application:

1. The affidavit of Scott Macaulay sworn May 28, 2013;

2. The affidavit of Ava Kim sworn May 28, 2013;

3. The sixth report of the Information Officer to be filed; and

4. Such further and other materials as counsel may advise and this Honourable Court may permit.

GOWLING LAFLEUR HENDERSON LLP
Barristers and Solicitors
1 First Canadian Place
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May 28, 2013

Jennifer Stam (LSUC No.: 46735J)

Tel: (416) 862-5697
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Lawyers for the Applicant

TO: THE ATTACHED SERVICE LISTS

SCHEDULE A – APPLICANTS

Allied Systems Holdings, Inc.

Allied Automotive Group, Inc.

Allied Freight Broker LLC

Allied Systems (Canada) Company

Allied Systems, Ltd. (L.P.)

Axis Areta, LLC

Axis Canada Company

Axis Group, Inc.

Commercial Carriers, Inc.

CT Services, Inc.

Cordin Transport LLC

F.J. Boutell Driveway LLC

GACS Incorporated

Logistic Systems, LLC

Logistic Technology, LLC

QAT, Inc.

RMX LLC

Transport Support LLC

Terminal Services LLC

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ONTARIO
SUPERIOR COURT OF JUSTICE
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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. c-36, AS AMENDED

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APPLICATION OF ALLIED SYSTEMS HOLDINGS, INC. UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

SERVICE LIST
(as at May 27, 2013)

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Court File No. 12-CV- 9757-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. c-36, AS AMENDED

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Court File No. 12-CV- 9757-00CL

ONTARIO
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SUPPLEMENTAL SERVICE LIST
(Pensions)

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SUPERINTENDENT OF PENSIONS (ALBERTA) Alberta Treasury Board and Finance Employment Pensions Financial Sector Regulation and Policy (FSRP) Room 402, Terrace Building 9515 - 107 Street Edmonton, Alberta, T5K 2C3	Tel: 780.427.9722
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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC. 1985, C.C-36, AS AMENDED
AND IN THE MATTER OF ALLIED SYSTEMS HOLDINGS, INC., ALLIED SYSTEMS (CANADA) COMPANY, AXIS CANADA COMPANY AND THOSE OTHER COMPANIES LISTED ON SCHEDULE "A" HERETO
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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto, Ontario Canada

NOTICE OF MOTION
(Bid Procedures Motion Recognition)
(Returnable June 5, 2013)

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TAB 2

Court File No.: 12- CV-9757-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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AFFIDAVIT OF SCOTT MACAULAY
(Bid Procedures Motion Recognition)
(sworn May 28, 2013)

I, Scott Macaulay, of the City of Snellville in the **State of Georgia, MAKE OATH AND SAY**:

1. I am the senior vice president and chief financial officer of Allied Systems Holdings, Inc. ("**Allied US**") and the vice president and treasurer of Allied Systems (Canada) Company ("**Allied Canada**") and the treasurer of Axis Canada Company ("**Axis Canada**", together with Allied Canada, the "**Canadian Debtors**"). Overall, I have been an employee of Allied for the last fifteen (15) years. As such, I have personal knowledge of the matters to which I hereinafter depose in this Affidavit. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true.

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2. This Affidavit is sworn in support of a motion by Allied US in its capacity as foreign representative (the "**Applicant**") of Allied US, Allied Canada, Axis Canada and those other companies listed on Schedule "A" hereto (collectively, "**Allied**", the "**Allied Group**" or the "**Chapter 11 Debtors**") for an Order recognizing an order to be issued by the US Court (the "**US Bid Procedures Order**"). There will be a hearing on May 31, 2013 in the US Court and the form of the US Bid Procedures Order being sought:

   (a) approves the bid procedures (the "**Bid Procedures**") including bid protections as set forth in the asset purchase agreement (the "**Sale Agreement**") between the Chapter 11 Debtors and New Allied Acquisition Co. LLC (or its designee pursuant to the terms of the Sale Agreement, the "**Stalking Horse Purchaser**");

   (b) schedules a hearing for approval of the sale (the "**Sale**") of assets (the "**Purchased Assets**") and sets objection and bidding deadlines with respect to the Sale;

   (c) approves the form and manner of notice of an auction for the Purchased Assets;

   (d) establishes procedures to determine cure amounts and deadlines for objections for certain contracts and leases to be assumed and assigned by the Chapter 11 Debtors (the "**Assumed and Assigned Agreements**"); and

   (e) grants related relief.

3. All dollar references herein are in US dollars unless otherwise specified.

4. All capitalized terms used herein and not otherwise defined have the meaning given to them in the Chapter 11 Debtors motion (the "**US Bid Procedures Motion**") filed in connection with the US Bid Procedures Order.

5. I am aware that the following documents, each of which I have reviewed, will be attached as exhibits to an affidavit of Ava Kim, to be sworn in connection with this motion:

   (a) Exhibit A – The US Bid Procedures Motion (without attachments);

   (b) Exhibit B – The Sale Agreement (without attachments);

   (c) Exhibit C – The proposed form of US Bid Procedures Order (without attachments);

   (d) Exhibit D - The proposed form of Bid Procedures;

(e) Exhibit E – The proposed form of Sale Notice; and

(f) Exhibit F – The proposed form of Cure Notice.

BACKGROUND

6. Allied is in the business of: (a) short haul car transport of light vehicles from manufacturing plants, ports, auctions and railway distribution points to automobile dealerships in the United States and Canada; and (b) logistics and management of car haul transport. It is a business that requires the use of specialized equipment specifically designed for the hauling of cars and is heavily customer focused.

7. On June 10, 2012 (the "**Filing Date**"), Allied US and Allied Systems, Ltd. (L.P.) ("**ASL**") each consented to the petition (the "**Involuntary Petitions**") for relief filed against each of them pursuant to Chapter 11 of title 11 ("**Chapter 11**") of the United States Code (the "**Bankruptcy Code**") with the United States Bankruptcy Court for the District of Delaware (the "**US Court**"). On the same day the balance of the Chapter 11 Debtors each filed voluntary petitions for relief (together with the Involuntary Petitions, the "**Petitions**") pursuant to Chapter 11 of the United States Code with the US Court. The cases commenced or consented to by the Chapter 11 Debtors in the US Court shall be referred to herein as the "**Chapter 11 Cases**".

8. The Chapter 11 Debtors commenced proceedings pursuant to Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") pursuant to the Initial Recognition Order of the Ontario Superior Court of Justice (the "**Canadian Court**") dated June 12, 2012 (the "**Initial Recognition Order**"). On June 13, 2012, the Canadian Court granted the Supplemental Order (as amended, the "**Supplemental Order**", collectively with the Initial Order, the "**Orders**"). Pursuant to the Orders, *inter alia*: (a) the Chapter 11 Cases were recognized as a "foreign main proceeding" for the purposes of section 47 and 48 of the CCAA; (b) Allied US was appointed as the foreign representative of the Chapter 11 Debtors; (c) certain orders made in the US Court dated June 12, 2012 were recognized; and (d) Duff & Phelps Canada Restructuring Inc. was appointed as the information officer (the "**Information Officer**").

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PREPETITION FIRST AND SECOND LIEN DEBT

9. The plan of reorganization confirmed in the Chapter 11 Debtors 2005 bankruptcy case[1] provided for two exit financing facilities: a first lien facility (the "**First Lien Facility**") and a second lien facility (the "**Second Lien Facility**," and together with the First Lien Facility, the "**Prepetition Credit Facilities**"). Both of these facilities were outstanding as of the commencement of the Chapter 11 Cases. As of the Filing Date, the Chapter 11 Debtors owed approximately $244,021,526 in principal under the First Lien Facility and $30,000,000 under the Second Lien Facility. The lenders under the Prepetition Credit Facilities are referred to as the "**Prepetition Lenders**." Each of the Chapter 11 Debtors and the collateral agents for the two credit facilities entered into an Intercreditor Agreement dated as of May 15, 2007 (the "**Intercreditor Agreement**") to set forth, among other things, the relative rights and priorities as between these two credit facilities.

The First Lien Facility

10. The First Lien Facility is evidenced by the Amended and Restated First Lien Senior Secured Super-Priority Debtor in Possession and Exit Credit and Guaranty Agreement, dated as of May 15, 2007, as amended by an amendment no. 1 dated as of May 29, 2007, an amendment no. 2, dated as of June 12, 2007, and an amendment no. 3 dated as of April 17, 2008 (as amended, the "**First Lien Credit Agreement**"),[2] by and among Allied Holdings and Allied Systems, as borrowers, certain of their subsidiaries, as guarantors, Goldman Sachs Credit Partners L.P. ("**Goldman Sachs**"), as lead arranger and syndication agent, The CIT Group/Business Credit, Inc. ("**CIT**"), in its capacity as administrative agent and collateral agent (the "**First Lien Agent**"), and CIT, Yucaipa,[3] and the other lenders party thereto, as lenders (collectively, "**First Lien Lenders**").

11. CIT resigned as First Lien Agent by notice dated April 19, 2012. On December 3, 2012, the BD/Spectrum Requisite Lenders appointed Black Diamond Commercial Finance,

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[1] In re Allied Holdings, et al., filed on July 31, 2005 in the United States Bankruptcy Court for the Northern District of Georgia, Newnan Division (Case No. 05-12515-CRM), and closed on June 5, 2012.

[2] An amendment no. 4 dated as of August 21, 2009 (the "**Fourth Amendment**") to the First Lien Credit Agreement was held invalid and unenforceable in the New York Litigation (as defined herein), and thus is not included in the definition of First Lien Credit Agreement.

[3] In connection with the First Lien Credit Agreement, "**Yucaipa**" means Yucaipa American Alliance Fund I, L.P. and Yucaipa American Alliance (Parallel) Fund I, L.P.

L.L.C. ("**BDCF**") and Spectrum Commercial Finance LLC as successor Co-Administrative Agents (the "**First Lien Agents**") and BDCF as Collateral Agent under the First Lien Credit Agreement.

12. The First Lien Facility provided up to $265,000,000 in principal amount of financings, and included three sub-facilities (i) a revolving loan facility of up to $35,000,000, (ii) a synthetic letter of credit facility of up to $50,000,000, and (iii) a term loan facility of up to $180,000,000.

13. The Petitioning Creditors, together with AMMC VIII, Limited (collectively, the "**BD/Spectrum Requisite Lenders**") collectively hold $56,486,964.50 in principal amount of obligations under the First Lien Facility, which represents 23.15% of the outstanding indebtedness under such facility. Although Yucaipa purports to hold $134,835,688.70 in principal amount of obligations under the First Lien Facility, which represents 55.25% of the outstanding indebtedness, pursuant to an opinion and order docketed on March 29, 2013, in the Supreme Court of New York, County of New York (Index No. 650150/2012 (the "**New York Litigation**")), Justice Charles E. Ramos held that Amendment No. 4 to the First Lien Credit Agreement was invalid (the "**Fourth Amendment Order**"). Pursuant to the Fourth Amendment Order and Amendment No. 3 to the First Lien Credit Agreement, Yucaipa's portion of the outstanding indebtedness under the First Lien Credit Agreement is excluded for the purpose of determining the Requisite Lenders under the First Lien Credit Agreement. Accordingly, the BD/Spectrum Requisite Lenders are the Requisite Lenders under the First Lien Credit Agreement. On April 23, 2013, Yucaipa filed in the Supreme Court of the State of New York, Appellate Division, an appeal from, and a motion to stay, the Fourth Amendment Order.

14. Unless the Fourth Amendment Order is either stayed or reversed on appeal, the BD/Spectrum Requisite Lenders act as the Requisite Lenders, which includes the right to direct the First Lien Agent to submit a credit bid on behalf of the First Lien Lenders. Accordingly, the Stalking Horse Purchaser, upon assignment of the rights of the First Lien Agents, will have the right to credit bid on behalf of the First Lien Lenders.

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The Second Lien Facility

15. The Second Lien Facility is evidenced by the Second Lien Secured Super-Priority Debtor in Possession and Exit Credit and Guaranty Agreement, dated as of May 15, 2007, as amended by an amendment no. 1 dated as of May 29, 2007, an amendment no. 2, dated as of June 12, 2007, and an amendment no. 3, dated as of April 17, 2008 (as amended, the "**Second Lien Credit Agreement**"), by and among Allied Holdings and Allied Systems, as borrowers, certain of their subsidiaries, as guarantors, Goldman Sachs, as administrative agent and collateral agent (together with its successors as administrative agent and collateral agent, the "**Second Lien Agent**"), and as lead arranger and syndication agent, and the lenders party thereto (collectively, the "**Second Lien Lenders**"). The Bank of New York Mellon ("**BNYM**") has replaced Goldman Sachs as Second Lien Agent. The Second Lien Facility originally consisted of a $50,000,000 term loan facility.

Prepetition Collateral

16. Both Prepetition Credit Facilities are secured by liens over all or substantially all of the assets of Allied Holdings and Allied Systems, and their U.S. and Canadian subsidiaries (the Chapter 11 Debtors herein), pursuant to (i) in the case of the First Lien Facility, the Amended and Restated Pledge and Security Agreement (First Lien) and (ii) in the case of the Second Lien Facility, the Amended and Restated Pledge and Security Agreement (Second Lien), both dated as of May 15, 2007 (the "**Prepetition Security Agreements**"). The credit and security documents for the First Lien Loan Documents and the Second Lien Loan Documents (as such terms are defined in the First Lien Credit Agreement) are referred to herein as the "**Prepetition Loan Documents**," and the collateral described therein is referred to herein as the "**Prepetition Collateral**." The Prepetition Collateral principally consists of rigs, accounts receivable, deposits in bank accounts, certain real estate, and the stock of most of Allied Holdings' direct and indirect subsidiaries. The Chapter 11 Debtors agree that their obligations under the First Lien Credit Agreement and the Second Lien Credit Agreement are secured by perfected, valid, binding and non-avoidable priority security interests and liens upon substantially all of the assets of each

Chapter 11 Debtor; *provided, however*, that the Prepetition Lenders are not perfected in certain excluded assets and deposit accounts, certain small or pledged deposits in which the First Lien Agent does not have a control agreement, or in certain real estate, which is not encumbered by a mortgage, and those assets are not included in the Prepetition Collateral (collectively, the "**Unencumbered Assets**").[4] Under the Intercreditor Agreement, the liens securing the Second Lien Facility are junior and subordinate to the liens securing the First Lien Facility.

Prepetition Obligations under the First Lien Facility and Validation of Security

17. Immediately prior to the Petition Date, the principal amount of the loans under the First Lien Facility was $244,021,526, as follows: (a) $35,000,000 in outstanding revolving loans, (b) $33,071,526 in outstanding letter of credit loans, and (c) $175,950,000 in outstanding term loans (together with interest, fees and expenses, collectively, the "**Prepetition First Lien Debt**").

18. Pursuant to paragraph D of the original debtor in possession financing order granted by the US Court on July 12, 2012 (the "**Final DIP Order**"), the US Court found that as a matter of fact, the Prepetition First Lien Debt is unconditionally due and owing and secured by valid, unavoidable liens. (the "**First Lien Debt Liens**"). The Final DIP Order provided for an "objection period" pursuant to which the US Court set specific deadlines for parties (the "Challenge Period Deadlines") to file objections and/or challenges to the Prepetition First Lien Debt and First Lien Debt Liens. This provision was intended to allow interested parties adequate time to review the Prepetition First Lien Debt and the First Lien Debt Liens. I am informed by Chris Samis of Richards Layton & Finger PA that the above "objection period" is a standard practice in Chapter 11 proceedings in Delaware. The Final DIP Order was recognized by the Canadian Court by order dated July 16, 2012.

[4] There is a piece of real property located in Manitoba which was deemed a non-material asset under the First Lien Facility. Although there was no mortgage registered on title, the security did provide that it was encumbered by the security interest granted to the collateral agent. There were no other such assets carved out in Canada. As such, I do not believe there are any excluded assets located in Canada.

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19. Other than the claims asserted against Yucaipa in the adversary proceeding captioned *The Official Committee of Unsecured Creditors of Allied Systems Holdings, Inc. v. Yucaipa American Alliance Fund I, L.P. et al.*, Adv. Case No. 13-50530 (the "**Yucaipa Objection**"), no objections were filed. As a result, the US Court's findings to the validity of the Prepetition First Lien Debt and First Lien Debt Liens are final and binding on all parties (other than with respect to claims against Yucaipa in the Yucaipa Objection, which only raises issues with respect to Yucaipa's Prepetition First Lien Debt and not about the Prepetition First Lien Debt as a whole).

Prepetition Obligations under the Second Lien Facility

20. Immediately prior to the Petition Date, the principal amount of the term loans outstanding under the Second Lien Facility was $30,000,000 (together with interest, fees and expenses, collectively, the "**Prepetition Second Lien Debt**").

21. The indebtedness owing as of the Petition Date under the First Lien Credit Agreement and the Second Lien Credit Agreement is referred to collectively as the "**Prepetition Indebtedness**."

CURRENT AND PROPOSED DIP OBLIGATIONS

22. Pursuant to an existing debtor-in possession delayed draw term loan facility (the "**First DIP Facility**"), substantially all of the Chapter 11 Debtors' assets are encumbered by liens in favor of Yucaipa American Alliance Fund II, LLC, as Agent, for the benefit of certain lenders that are party from time to time to that certain Senior Secured Super-Priority Debtor in Possession Credit and Guaranty Agreement, dated as of June 12, 2012 (as amended from time to time, the "**First DIP Credit Agreement**"). The First DIP Credit Agreement currently provides post-petition financing for the Chapter 11 Debtors in an amount of up to $22 million. The term of the First DIP Facility expires on June 11, 2013.

23. Given the expiration of the First DIP Facility as well as the need for further funding, concurrently with this Motion, the Chapter 11 Debtors have filed a motion seeking a replacement DIP lending facility (the "**Replacement DIP Facility**"), which seeks to

refinance the First DIP Facility with a new credit facility in an amount up to $33.5 million provided by affiliates of the Petitioning Creditors. I have separately filed an affidavit (my "**Replacement DIP Facility Affidavit**") in connection with a motion before this Court for recognition of the US order approving the Replacement DIP Facility.

24. Obtaining funding from the Replacement DIP Lenders was the only viable option (as set out in my Replacement DIP Affidavit). The Replacement DIP Lenders have required that the US Order be granted by the US Court (and an order recognizing the US Order be granted by this Court) prior to funding under the Replacement DIP Facility.

THE PROPOSED SALE

Background

25. Since the commencement of the Chapter 11 Cases, the Chapter 11 Debtors have worked with their advisors and other stakeholders to determine the best course of action for the restructuring. After careful consideration, the Chapter 11 Debtors have determined it is in the best interests of the Chapter 11 Debtors and their estates to enter into the Sale Agreement to sell their assets, subject to higher and better offers.

26. Specifically, the Chapter 11 Debtors, after extensive prepetition and postpetition efforts to maximize value, a review of various reorganization, and sale options and discussions with the Chapter 11 Debtors' professionals, ultimately determined in the exercise of their reasonable business judgment that the most effective way to maximize the value of the Chapter 11 Debtors' estates for the benefit of their constituents would be to sell substantially all of their assets and to then wind-down any remaining operations. The Chapter 11 Debtors believe that the proposed Sale will maximize the value of the Chapter 11 Debtors' assets for all stakeholders.

Sales Efforts to Date

27. Beginning in the summer of 2012, Allied and Rothschild conducted an extensive marketing process in which it contacted 43 potential strategic buyers and 50 potential

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financial buyers. Of these 93 potential buyers, 22 requested confidentiality agreements ("**CAs**") and 20 executed CAs. Parties who executed CAs were provided with a Confidential Information Memorandum ("**CIM**").

28. Of the 20 parties who executed CAs, 4 of them submitted non-binding indications of interest ("**LOIs**") and conducted substantial additional due diligence on Allied, including holding meetings with management. Allied, together with its advisors, negotiated with the parties who submitted LOIs in an effort to improve proposed transaction terms and progress towards definitive asset purchase agreements ("**APAs**"). Based on the outcome of these negotiations and proposed transaction terms, Allied, in consultation with its advisors, determined that the APA submitted by the Stalking Horse Purchaser would maximize value for the estate (subject to the submission of higher and better offers at the auction).

The Stalking Horse Agreement

29. The Chapter 11 Debtors have now entered into a Sale Agreement for the Sale of Purchased Assets which will serve as a stalking horse agreement in the Chapter 11 Debtors process.

30. Below is a summary of certain of the key provisions of the Sale Agreement:[5]

(a) Purchase Price. The aggregate consideration for the sale and transfer of the Purchased Assets (the "**Purchase Price**") shall be (i) an amount of cash sufficient to pay in full all obligations owing under the Replacement DIP Facility; plus (ii) an amount of cash sufficient to fund the Wind Down Budget; plus (iii) Additional Cash Consideration of up to $10 million; plus (iv) a credit bid equal to $70 million less the items in (i), (ii) and (iii); plus (v) the assumption of Assumed Liabilities, including payment of all Cure Costs in accordance with the terms of the Sale Order.

[5] The below summary is for informational purposes only. Reference should be made to the Sale Agreement for the complete terms of the Sale.

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(b) Purchased Assets.[6] Substantially all of the Sellers' assets, including, all direct or indirect, right, title, and interests of the Sellers in and to all the tangible and intangible assets, properties, rents, claims, and contracts of the Sellers, to the extent transferable, excluding the Excluded Assets as defined in the Sale Agreement.

(c) Assumed Liabilities. The Stalking Horse Purchaser will assume and pay, perform, or discharge when due or otherwise, certain specified liabilities of the Sellers set forth in the Sale Agreement, including Cure Costs.

(d) Excluded Assets. The Purchased Assets are the only assets transferred to, or otherwise acquired by, the Stalking Horse Purchaser under the Sale Agreement. The Purchased Assets do not include the properties and assets of Sellers listed or described in Section 1.2 of the Sale Agreement.

(e) Excluded Liabilities. The Sellers shall retain all liabilities and obligations that are not Assumed Liabilities, as described in Section 1.4 of the Sale Agreement.

(f) Business Records. Pursuant to Section 1.1 of the Sale Agreement, the Sellers' Business Records are a Purchased Asset. Pursuant to Section 8.7 of the Sale Agreement, Purchaser must preserve the Business Records and make such records available to the Chapter 11 Debtors.

(g) Due Diligence or Financing Condition. The Stalking Horse Purchaser will have until June 14, 2013 to complete due diligence.[7] There are no financing conditions.

(h) Closing and Other Deadlines. The Closing shall occur on the date that is two (2) business days following the date that all conditions under Sections 9.1 and 9.2 of

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[6] The Sale does not include the transfer of "personally identifiable information," as defined in Section 101(41 A) of the Bankruptcy Code.

[7] If the Stalking Horse Purchaser's due diligence condition is not satisfied or waived by June 14, 2013, and the Stalking Horse Purchaser elects to terminate the Sale Agreement, the Stalking Horse Purchaser will not be entitled to any Expense Reimbursement (as defined below).

the Sale Agreement are satisfied or such other date as the Stalking Horse Purchaser and the Sellers may agree upon in writing.

(i) No Good Faith Deposit; Liquidated Damages. Because the Stalking Horse Purchaser is credit bidding less than the full amount owed to it pursuant to the Prepetition First Lien Debt, no deposit has been made by or is otherwise required of the Stalking Horse Purchaser. In the event the Purchaser breaches its obligations under the Sale Agreement, the Sale Agreement provides that the Sellers shall be entitled, as liquidated damages, to retain the first $5 million of value otherwise distributable to the First Lien Lenders.

(j) Termination. The rights of the Stalking Horse Purchaser and the Sellers to terminate the Sale Agreement are set forth in Section 3.4 of the Sale Agreement.

(k) Successor Liability. The Sale Agreement provides that the Sale Order shall contain a determination that the Stalking Horse Purchaser is not a successor to any Seller or otherwise liable for any Seller's liabilities (other than the Assumed Liabilities).

(m) Non-Solicitation. Section 7.1(f) of the Sale Agreement provides limitations of the Sellers' ability to solicit bids for the Purchased Assets between the date the US Motion is filed and the date on which the Bid Procedures Order is entered.

Treatment of Employees

31. As set out in prior affidavits and reports of the Information Officer, Allied Canada has approximately 425 employees and independent contractors ("**Canadian Employees**") across Canada. Approximately 90% of the Canadian Employees are members of the Teamsters or the CAW. The balance are non-unionized. Axis Canada has fewer than five (5) employees.

32. Pursuant to certain of the current collective agreements, Allied Canada contributes to various union multi-employer pension plans ("**MEPPs**") in accordance with its

contribution requirements under those pension plans. Allied Canada does not have any registered defined benefit or defined contribution plans of its own.

33. The Purchaser has indicated that is not willing to assume any of the current collective agreements (including any contribution obligations to the MEPPs contained within those collective agreements). Instead, pursuant to the Sale Agreement,

    (a) the Purchaser has not agreed to assume any collective agreements or pension plans, but has made it a condition of closing that new collective agreements be negotiated prior to Closing pursuant to section 9.2 (m) of the Sale Agreement; and

    (b) effective as of the Closing, the Purchaser (or its designee as permitted under the Sale Agreement) shall offer employment to such Employees and on such terms and conditions of employment as the Purchaser shall determine in its sole discretion, all pursuant to section 6.1 of the Sale Agreement.

Assignment of Contracts

34. The Sale Agreement provides for the assignment and assumption of certain contracts (as designated by the Purchaser). The Purchaser is liable for all "Cure Costs" (as defined in the Sale Agreement) associated with the Assigned Contracts (as defined in the Sale Agreement). The proposed process for determination of cure costs and assignment of contracts is set out below.

35. The same process will apply to all such contracts in both Canada and the US and Canadian contract counterparties will have the opportunity to participate with equal rights as US contract counterparties pursuant to a motion to be heard by the US Court.

36. As set out below, all parties on the Canadian Service List (defined below) have been given notice of the US Motion.

The Expense Reimbursement

37. The Sale Agreement provides for an expense reimbursement of up to $3 million payable to the Purchaser for reimbursement of actual expenses in certain circumstances as set out

in the Sale Agreement. The expense reimbursement is also set out in Bid Procedures, discussed below. There is no break fee contemplated by the Sale Agreement.

THE BID PROCEDURES

38. Upon approval of the Bid Procedures, the Chapter 11 Debtors will continue to market their assets to and negotiate with all potential purchasers, including the Stalking Horse Purchaser, in an effort to achieve maximum value for the benefit of all of their constituents.

39. The Bid Procedures (as summarized below) were developed consistent with the Chapter 11 Debtors' need to expedite the sale process, but with the objective of promoting active bidding that will result in the highest or best offer for the Purchased Assets while affording appropriate protection for the Stalking Horse Purchaser. Moreover, the Bid Procedures reflect the Chapter 11 Debtors' objective of conducting the Auction in a controlled, but fair and open, fashion that promotes interest in the Purchased Assets by financially motivated bidders who are likely to close the transaction.

40. The Chapter 11 Debtors seek to conduct an open sales process pursuant to which the winning bidder will enter into an asset purchase agreement, substantially in the form of the Sale Agreement for the purchase of substantially all of the Chapter 11 Debtors' assets, free and clear of liens, claims, and encumbrances, with such liens, claims, and encumbrances to attach to the Sale Proceeds, if any.[8] The key provisions of the Sale Agreement are summarized above, but are qualified in their entirety by reference to the actual Sale Agreement, which terms may change pursuant to negotiation with the Successful Bidder at the Auction.

41. Pursuant the Bid Procedures:

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[8] The distribution to Yucaipa of its pro rata share of the Stalking Horse Purchaser's equity by virtue of its alleged status as a First Lien Lender (or Sale Proceeds received from a Successful Bidder, as applicable) shall be held in an escrow account, pending a further Court order at the conclusion of the adversary proceeding captioned *The Official Committee of Unsecured Creditors of Allied Systems Holdings, Inc. v. Yucaipa American Alliance Fund I, L.P. et al.*, Adv. Case No. 13-50530.

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(a) each bidder participating at the Auction will be required to confirm that it has not engaged in any collusion with respect to the bidding or the Sale;

(b) the Auction will be conducted openly, but only the Chapter 11 Debtors, the Stalking Horse Purchaser, the professionals and advisors of the Creditors Committee, any creditor of the Chapter 11 Debtors that has provided written notice to the Chapter 11 Debtors' counsel at least five (5) business days in advance of the Auction of his, her, or its intent to attend the Auction, and any Qualified Bidder who has timely submitted a Qualified Bid, together with professional advisors to each of the foregoing, may attend the Auction; and

(c) bidding at the Auction will be transcribed. The Bid Procedures are typical for asset sales of this size and nature, require a deposit (except with regard to the Stalking Horse Purchaser), include provisions for consultation with the Committee, and require that a bidder be a "**Qualified Bidder**" as defined in the Bid Procedures.

42. The following paragraphs in this section summarize key provisions of the Bid Procedures:[9]

a. Potential Bidders and Access to Information. Prior to the deadline for the submission of bids, the Chapter 11 Debtors will afford to Potential Bidders meeting certain requirements access to reasonable due diligence or additional information as may be reasonably requested by the Potential Bidder that the Chapter 11 Debtors, in their reasonable business judgment, determine to be reasonable and appropriate. To obtain the foregoing due diligence and information, all Potential Bidders must comply with the following requirements:

i. Deliver an executed confidentiality agreement substantially on similar terms as that signed by the Stalking Horse Purchaser and in form and substance reasonably acceptable to the Chapter 11 Debtors; and

[9] Capitalized terms not defined in the below sub-paragraphs shall have the meanings ascribed to them in the Bid Procedures or the Sale Agreement, as applicable. The following is included for informational purposes only. Reference should be made to the Bid Procedures for the full terms.

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ii. Disclose the identity of the Potential Bidder, including the equity holders and sponsors of the Potential Bidder and any guarantors of the obligations of the Potential Bidder in connection with the Sale; and

b. Qualified Bidders. To be a "**Qualified Bidder**" a Potential Bidder must meet the following requirements:

i. Deliver an executed confidentiality agreement if not already delivered;

ii. Deliver no later than [_____],[10] 2013 financial information and credit-quality support or enhancement that demonstrate, in the Chapter 11 Debtors' reasonable discretion, in consultation with the Consultation Party, the financial capability of the Potential Bidder to consummate the proposed transaction for the desired Assets;

iii. A determination by the Chapter 11 Debtors, in their reasonable discretion, in consultation with the Consultation Party, that the Potential Bidder is reasonably likely to submit a bona fide offer for the Assets and will be able to consummate such transaction if selected as the Successful Bidder within the time frame set forth in the Bid Procedures; and

iv. Submission of a Qualified Bid.

c. Qualified Bid.[11] To participate in any Auction, a Qualified Bidder must submit a written offer meeting each of the following requirements (a "**Qualified Bid**"):

i. The consideration must include cash equal to, or in excess of, the **sum** of the following:

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[10] At the hearing before the US Court to approve the Bid Procedures (scheduled for May 31, 2013), the Chapter 11 Debtors will ask the Court to approve appropriate dates and times for all blank spaces set forth in this Motion and Exhibits. Generally, the Chapter 11 Debtors will be requesting that the Auction be scheduled on or about July 25, 2013 and the Sale Hearing be scheduled on or about July 31, 2013.

[11] The Stalking Horse Purchaser shall be deemed a Qualified Bidder and its credit bid is a Qualified Bid. The Chapter 11 Debtors shall have the right, but not the obligation, to deem any lender holding undisputed claims under the First Lien Credit Agreement in excess of the principal amount of $10 million as a Qualified Bidder, and to permit such Qualified Bidder to participate in the Auction without prior compliance with the requirements of paragraph 12 of the Bid Procedures, provided however, that any offer submitted by such Qualified Bidder at or prior to the Auction shall comply with those requirements.

(a) an amount sufficient to pay the DIP Payment (as defined in section 2.1(a)(i) the Sale Agreement); plus

(b) an amount equal to the Wind Down Budget Consideration (as defined in section 2.1(a)(ii) of the Sale Agreement); plus

(c) an amount equal to the Additional Cash Consideration; plus

(d) an amount equal to the Claim Contribution (as defined in section 2.1(a)(iii) of the Sale Agreement); plus

(d) $5 million.

In addition, the bid must provide for the assumption of the Assumed Liabilities (as defined in the Sale Agreement).

ii. Include a good faith deposit (the "**Good Faith Deposit**") in the form of a certified check, wire transfer or such other form of a cash equivalent, in an amount equal to 10% of the aggregate value of the Qualified Bidder's bid, except that the Stalking Horse Purchaser shall not be required to make a Good Faith Deposit;

iii. Be on terms that are substantially the same or better than the terms of the Sale Agreement and be accompanied by a clean, duly executed and binding purchase agreement, including all schedules, exhibits, and ancillary documents contemplated by the Sale Agreement (collectively, a "**Modified Agreement**"), together with a blacklined copy marked to show all changes from the Sale Agreement with the Stalking Horse Purchaser;

iv. The Modified Agreement must contain a covenant that the Qualified Bidder shall make all necessary filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or other applicable competition laws or regulations, if any, and pay all costs and expenses of such filings (including the Chapter 11 Debtors' costs and expenses);

v. Be accompanied by a list of any executory contracts or unexpired leases that are to be assumed and/or assigned and/or specify whether the final assumption and assignment of such contracts and leases is subject to any "designation rights" period;

vi. State that the bidder will: (a) consummate and fund the proposed transaction by no later than the outside Closing Date set forth in the Sale Agreement (the "**Closing Deadline**"); and (b) in the event that the bidder is selected as a Backup Bidder, keep its offer to purchase the Assets open until 5:00 p.m. (Eastern Time) on the fifth (5th) business day following the date set for the closing of the sale to the Successful Bidder (the "**Backup Bid Closing Deadline**").

vii. To the extent not previously provided, state that the Qualified Bidder is financially capable of consummating the transactions contemplated by the Modified Agreement and any related transaction documents (the "**Sale**"), and include written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the Sale, that (a) provides for the Chapter 11 Debtors as a third party beneficiary of such commitment for financing and (b) will allow the Chapter 11 Debtors, in consultation with the Consultation Party, to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the Sale;

viii. Include current audited financial statements and latest unaudited financial statements of the Qualified Bidder or, if the Qualified Bidder is an entity formed for the purpose of acquiring the Assets, current audited financial statements and latest unaudited financial statements of the equity holders or sponsors of the Qualified Bidder who will guarantee the obligations of the Qualified Bidder, or such other form of financial disclosure and/or credit-quality support or enhancement, if any, that will allow the Chapter 11 Debtors, in consultation with the Consultation Party, to make a

reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the Sale;

ix. Include an acknowledgement and representation that the Qualified Bidder: (a) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid; (b) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Assets or the completeness of any information provided in connection therewith or the Auction other than as provided in the Modified Agreement and (c) is not entitled to any expense reimbursement, break-up fee or similar type of payment in connection with its bid;

x. Include evidence of the Qualified Bidder's ability to comply with section 365 of the Bankruptcy Code (to the extent applicable), including providing adequate assurance of such Qualified Bidder's ability to perform in the future the contracts and leases proposed in its bid to be assumed by the Chapter 11 Debtors and assigned to the Qualified Bidder, in a form that will permit the immediate dissemination of such evidence to the counterparties to such contracts and leases;

xi. To the Chapter 11 Debtors' satisfaction, fully disclose (a) the identity of each entity that will be bidding for the Assets or otherwise participating in connection with such bid, (b) the terms of any such participation, and (c) if an entity has been formed for the purpose of acquiring some, or all, of the Assets, the parties that will bear liability for any breach by such entity, and the financial capacity of such parties to satisfy such liability;

xii. State that the Written Offer is irrevocable until the later of (a) the closing of the transaction, if such Qualified Bidder is designated as a Successful Bidder and (b) the Backup Bidder Closing Deadline.

xiii. Must contain provisions allowing the Chapter 11 Debtors' reasonable access to the Chapter 11 Debtors' books and records for the administration of their bankruptcy cases if any agreement provides for the purchase of such books and records;

xiv. Not contain any due diligence or financing contingencies as determined by the Chapter 11 Debtors in their reasonable discretion;

xv. In the Chapter 11 Debtors' discretion, provide evidence of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the Modified Agreement to the Chapter 11 Debtors' satisfaction;

xvi. All documentation submitted in support of the Written Offer must be submitted both in hard copy and electronically.

d. Bid Deadline. The deadline for submitting bids by a Qualified Bidder, other than the Stalking Horse Purchaser, shall be [_____], 2013, at 12:00 p.m. (Prevailing Eastern Time) (the "**Bid Deadline**"). A Bid received after the Bid Deadline shall not constitute a Qualified Bid.

e. Consideration of Offers. The Chapter 11 Debtors, in consultation with the Consultation Party, may choose to either consider or disregard offers for an insubstantial portion of the Assets. Between the Bid Deadline and the Auction, the Chapter 11 Debtors may negotiate with or seek clarification of any Written Offer or Qualified Bid. Each Qualified Bidder shall provide to the Chapter 11 Debtors any information reasonably required by the Chapter 11 Debtors (which the Chapter 11 Debtors may share with the Committee) in connection with the evaluation of a Written Offer or Qualified Bid within two (2) business days after such request is made. Without the consent of the Chapter 11 Debtors, a Qualified Bidder may not amend, modify or withdraw its Qualified Bid, except for proposed amendments to increase the amount or otherwise improve the terms of the

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Qualified Bid, during the period that such Qualified Bid is required to remain irrevocable and binding.

f. Determination of Qualified Bidder and Qualified Bids. No later than one (1) business day prior to the Auction, the Chapter 11 Debtors, after consultation with the Consultation Party, shall determine in their business judgment, and shall notify each Potential Bidder whether (i) such Potential Bidder is a Qualified Bidder and (ii) such Potential Bidder's Written Offer is a Qualified Bid. Each Qualified Bidder and the Consultation Party will be given access to all Qualified Bids at such time. In evaluating any Qualified Bid or subsequent bid, the Chapter 11 Debtors shall treat comparable credit bids and cash bids as equivalent and no credit bid shall be considered inferior to a comparable cash bid because it is a credit bid.

g. Auction. In the event that two or more Qualified Bids (including the Sale Agreement) are received, the Chapter 11 Debtors shall conduct an Auction of the Assets. At least one (1) day in advance of the Auction, the Chapter 11 Debtors will notify all Qualified Bidders of the highest or otherwise best Qualified Bid (the "**Opening Bid**"), as determined by the Chapter 11 Debtors in consultation with the Consultation Party. Only a Qualified Bidder than submitted a Qualified Bid will be eligible to participate in the Auction. The Auction shall commence at 10:00 a.m. (**Prevailing Eastern Time**) on [_____], 2013, at the offices of Richards, Layton and Finger, P.A. located at 920 N. King Street, Wilmington, DE 19801 and continue thereafter until completed. Each Qualified Bidder participating in the Auction will be expected to confirm at the Auction that it has not engaged in any collusion regarding these Bid Procedures with any other Qualified Bidder, the Auction or any proposed transaction relating to the Assets or a portion thereof. The Auction will begin initially with the Opening Bid and shall proceed thereafter in minimum increments of at least $500,000, with the specific increments for each round of bidding to be announced on the record at the Auction. In the Chapter 11 Debtors' discretion and upon consultation with the Consultation Party, all Qualified Bidders shall have the right to submit additional

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bids and make additional modifications to their purchase agreement or Modified Agreement, provided, however that such modifications, on an aggregate basis and viewed in whole, shall not be less favorable to the Chapter 11 Debtors, as determined by the Chapter 11 Debtors, and in consultation with the Consultation Party. Upon conclusion of the bidding, the Auction shall be closed, and the Chapter 11 Debtors shall, as soon as practicable thereafter, and after consultation with the Consultation Party, identify and determine in its reasonable business judgment the highest or otherwise best Qualified Bid for the Assets (the "**Successful Bid**") and require the Successful Bidder to deliver the Successful Purchase Agreement and to deposit with the Chapter 11 Debtors the Successful Bidder Deposit within two (2) business days after conclusion of the Auction (provided that the Stalking Horse Purchaser shall not be required to provide the Successful Bidder Deposit if the Sale Agreement is the Successful Purchase Agreement).

h. Backup Bid. At the conclusion of the Auction, the Chapter 11 Debtors will determine, after consultation with the Consultation Party, which Qualified Bid, if any, is the next highest or otherwise best Qualified Bid and designate such Qualified Bid as a "**Backup Bid**" in the event the Successful Bidder fails to consummate the contemplated transaction. A Qualified Bidder that submitted a Qualified Bid that is designated a Backup Bid is a "**Backup Bidder**." Upon a determination by the Chapter 11 Debtors, after consultation with the Consultation Party, that the Successful Bidder is a Defaulting Buyer, the Chapter 11 Debtors will be authorized, but not required, to consummate a sale transaction with the Backup Bidder on the terms and conditions of the Backup Bid (the "**Backup Purchase**") without further order of the Bankruptcy Court provided that the Bankruptcy Court approves such Backup Purchase at the Sale Hearing

i. Expense Reimbursement. Recognizing the Stalking Horse Purchaser's expenditure of time and resources, the Sale Agreement provides for certain bid protections, which are designed to compensate the Stalking Horse Purchaser for its efforts and agreement to date and to facilitate a full and fair process designed

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to maximize the value of the Purchased Assets. Specifically, the Chapter 11 Debtors have determined that the Sale Agreement will further the goals of the Bidding Procedures by establishing a floor against which all other bids are evaluated. As a result, if the Sale Agreement is terminated pursuant to Sections 3.4(b) (d) (e) (g) (i) or (k), the Stalking Horse Purchaser shall be paid the Purchaser's Expense Reimbursement as defined in Section 7.1 of the Sale Agreement (the "**Expense Reimbursement**"). The Expense Reimbursement consists of the Stalking Horse Purchaser's reasonable and documented costs associated with the negotiation, execution, and delivery of the Sale Agreement and the transactions contemplated thereby and is subject to a cap of $3,000,000. The closing of any Alternative Transaction (as defined in the Sale Agreement) shall be contingent upon the payment of the Expense Reimbursement. (Sale Agreement, Section 7.1(a)).

j. Sale Hearing. The Sale Hearing shall be conducted by the Bankruptcy Court on or before [_____], 2013.

k. Modifications. The Chapter 11 Debtors, with the prior written consent of the Replacement DIP Agents, may adopt and modify rules for the Auction at the Auction that, in the Chapter 11 Debtors' reasonable judgment, in consultation with the Consultation Party, will better promote the goals of the Auction and that are not inconsistent with any of the provisions of the Bid Procedures Order, the Bankruptcy Code, or any order of the Bankruptcy Court. The Bid Procedures may not be modified except upon order of the Bankruptcy Court or the express written consent of the Chapter 11 Debtors, the Committee, the Replacement DIP Agents and the Stalking Horse Purchaser. The deadlines set forth in the Bid Procedures may not be extended without the prior written consent of the Replacement DIP Agents.

43. The process set forth in the Bid Procedures allows for a timely and efficient auction process given the circumstances facing the Chapter 11 Debtors, while providing bidders with ample time and information to submit a timely bid and perform diligence. The Bid

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Procedures are designed to ensure that the Purchased Assets will be sold for the highest or otherwise best possible purchase price. The Chapter 11 Debtors have subjected, and will continue to subject, the Purchased Assets to market testing and are permitting prospective purchasers to bid on the Purchased Assets. The proposed Sale will be further subject to a market check through the solicitation of competing bids in a court-supervised Auction process as set forth in the Bid Procedures.

NOTICE OF AUCTION

44. Pursuant to the proposed US Order, the Chapter 11 Debtors are requesting approval of the notice of auction and are proposing an Auction date of no later than August 8, 2013.[12] Not later than three (3) business days after the entry of the US Bid Procedures Order, the Chapter 11 Debtors will serve copies of the Sale Notice, substantially in the form attached to the US Bid Procedures Order at Exhibit 2 (the "**Sale Notice**"), the Bid Procedures, and the US Bid Procedures Order by mail, postage prepaid to: (a) all entities known to have expressed a *bona fide* interest in acquiring the Purchased Assets (by overnight mail); (b) counsel to the Stalking Horse Purchaser; (c) the Office of the United States Trustee for the District of Delaware; (d) known entities holding or asserting a security interest in or lien against any of the Purchased Assets; (e) taxing authorities whose rights may be affected by a sale of the Purchased Assets; (f) counsel to the Committee; (g) all Attorneys General for the states in which the Chapter 11 Debtors conduct business; and (h) all parties that have requested notice pursuant to Bankruptcy Rule 2002 as of the date prior to the date of entry of the US Bid Procedures Order. Additionally, all parties on the Canadian Service List (defined below) will be sent the Sale Notice.

45. The Chapter 11 Debtors have requested that objections, if any, to the proposed Sale: (a) be in writing; (b) comply with the Bankruptcy Rules and the Local Rules; (c) be filed with the Clerk of the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware, 19801; and (d) be served so as to be received by: (i) the Chapter 11 Debtors; (ii) counsel to the Chapter 11 Debtors; (iii)

[12] August 8, 2013 is the outside date for commencement of the Auction. The Chapter 11 Debtors hope to commence the Auction on or about July 25, 2013.

counsel to the Stalking Horse Purchaser (or the Successful Bidder, as applicable); (iv) the Office of the United States Trustee; (v) counsel to the Committee; and (vi) all parties listed on the Canadian Service List (defined below) (collectively, the "**Notice Parties**"). The Chapter 11 Debtors have also requested that the Court set an appropriate deadline to file and serve any objections to the proposed Sale (the "**Sale Objection Deadline**"). I am aware that all copies of objections will also be provided to the Information Officer.

46. Not later than ten (10) days after entry of the US Bid Procedures Order, the Chapter 11 Debtors will publish the Sale Notice in the national edition of *The Wall Street Journal or The New York Times* as well as the *Globe and Mail (National Edition)*.

PROCEDURES TO DETERMINE CURE AMOUNTS

47. To facilitate and effect the Sale, the Chapter 11 Debtors will be required to assume and/or assign the Assumed and Assigned Agreements, to the Stalking Horse Purchaser, or as applicable, to the Successful Bidder.

48. The Chapter 11 Debtors seek to establish (a) procedures for determining cure amounts through the closing date of the Sale (the "**Cure Amounts**"), and (b) the deadlines for objections to the assumption and/or assignment of Contracts and Leases to be assumed and/or assigned in connection with the Sale (collectively, the "**Cure Procedures**"). It is proposed that the Cure Procedures apply to all relevant assumption and/or assignment of Contracts and Leases (including Canadian Contracts and Leases).

49. Under the proposed Cure Procedures, the Chapter 11 Debtors will prepare and distribute to non-Debtor parties to all potential Assumed and Assigned Agreements a notice (a "**Cure Notice**"), listing (a) the potential Assumed and Assigned Agreement(s), and (b) the Cure Amount(s), if any, no later than five (5) business days before the Auction. Within three (3) business days of the Sale Hearing, the Chapter 11 Debtors shall distribute to non-Debtor parties to all potential Assumed and Assigned Agreements evidence of the Stalking Horse Purchaser's (or Successful Bidder's, as applicable) ability to comply with section 365 of the Bankruptcy Code (to the extent applicable), including

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providing adequate assurance of the Stalking Horse Purchaser's ability to perform in the future the Assumed and Assigned Agreements.

50. To facilitate a prompt resolution of cure disputes and objections relating to the assumption and assignment of the Assumed and Assigned Agreements, the Chapter 11 Debtors have proposed the following deadlines and procedures:

(a) The non-Debtor parties to the Assumed and Assigned Agreements shall have until [_____], 2013 (the "**Contract Objection Deadline**"), which deadline may be extended in the sole discretion of the Chapter 11 Debtors, to object (a "**Contract Objection**") to (i) the Cure Amounts listed by the Chapter 11 Debtors and to propose alternative cure amounts, and/or (ii) the proposed assumption and/or assignment of the Assumed and Assigned Agreements in connection with the Sale; provided, however, if the Chapter 11 Debtors amend the Cure Notice to add a contract or lease or to reduce the Cure Amount thereof, except where such reduction was upon mutual agreement of the parties, the non-Debtor parties to the added contract or lease or to the reduced Cure Amount contract or lease shall have until five (5) days after such amendment to submit a Contract Objection (the "**Amended Contract Objection Deadline**").

(b) Any party objecting to (i) any Cure Amount, and/or (ii) the proposed assumption and assignment of any Assumed and Assigned Agreement in connection with the Sale, shall file and serve a Contract Objection, in writing, setting forth with specificity any and all cure obligations that the objecting party asserts must be cured or satisfied in respect of the Assumed and Assigned Agreements(s), as applicable, any and all objections to the potential assumption and/or assignment of such agreements, together with all documentation supporting such cure claim or objection, upon the Notice Parties, so that the Contract Objection is received no later than 4:00 p.m., on the Contract Objection Deadline or the Amended Contract Objection Deadline, as applicable. Where a non- Debtor counterparty to an Assumed and Assigned Agreement files an objection asserting a cure amount higher than the proposed Cure Amounts (the "**Disputed Cure Amount**"), then (a)

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to the extent that the parties are able to consensually resolve the Disputed Cure Amount prior to the Sale Hearing, and subject to the consent of the Successful Bidder to such consensual resolution, the Chapter 11 Debtors shall promptly provide the Notice Parties with notice and opportunity to object to such proposed resolution, (b) to the extent the parties are unable to consensually resolve the dispute prior to the Sale Hearing, then such objection will be heard at the Sale Hearing or thereafter, or (c) the Successful Bidder may remove the contract to which the Contract Objection relates from the schedule of contracts to be assumed and assigned.

(c) In the event that the Stalking Horse Purchaser is not the Successful Bidder for the Purchased Assets, within [___] business days after the conclusion of the Auction for the Purchased Assets, the Chapter 11 Debtors will serve a notice identifying the Successful Bidder to the non-debtor parties to the Assumed and Assigned Agreements that have been identified in the Bid of the Successful Bidder. The non-debtor parties to the Assumed and Assigned Agreements will have until [_____], 2013 (the "**Adequate Assurance Objection Deadline**") to object to the assumption, assignment, and/or transfer of such Assumed and Assigned Agreement solely on the issue of whether the Successful Bidder can provide adequate assurance of future performance as required by Section 365 of the Bankruptcy Code (an "**Adequate Assurance Objection**").

51. Unless an objection to the assumption and assignment of an Assumed and Assigned Agreement is filed and served before the Contract Objection Deadline, the Amended Contract Objection Deadline, or the Adequate Assurance Objection Deadline, as applicable, all counterparties to the Assumed and Assigned Agreements shall be (a) forever enjoined and barred from objecting to the proposed Cure Amounts and from asserting any additional cure or other amounts with respect to the Assumed and Assigned Agreements, and the Chapter 11 Debtors, their estates, the Stalking Horse Purchaser, or the Successful Bidder shall be entitled to rely solely upon the proposed Cure Amounts set forth in the Cure Notices, (b) deemed to have consented to the Cure Amount, and (c) forever barred and estopped from asserting or claiming against the Chapter 11 Debtors,

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the Stalking Horse Purchaser, or the Successful Bidder that any additional amounts are due or other defaults exist, that conditions to assignment must be satisfied under such Assumed and Assigned Agreements, or that there is any objection or defense to the assumption and assignment of such Assumed and Assigned Agreements.

52. As set out above, the Chapter 11 Debtors are proposing that the process as it relates to Assumed and Assigned Agreements be recognized and implemented in Canada also.

CURRENT STATUS AND MATTERS RELATING TO SERVICE

Status of the US Motion

53. The Chapter 11 Debtors have now filed the US Bid Procedures Motion containing the Sale Agreement, proposed Bid Procedures, the proposed Sale Notice and proposed Cure Procedures with the US Court. The motion for determination of those issues is scheduled to be heard May 31, 2013. A motion for approval of the Replacement DIP Facility is scheduled to be heard the same day. The objection deadline for both motions is **May 29, 2013 at 12pm (noon)**. I am advised by Chris Samis of Richards Layton & Finger PA that all parties on the Canadian Service List (defined below) were served with notice of the US Bid Procedures Motion in respect of the US Bid Procedures Order.

54. I am advised by Jennifer Stam of Gowling Lafleur Henderson LLP, Canadian counsel to the Chapter 11 Debtors, that a motion has been scheduled for June 5, 2013 in the Canadian proceedings. In the event that the US Bid Procedures Order is granted, Allied will seek recognition of the US Bid Procedures Order in Canada (as well as recognition of the Order approving the Replacement DIP Facility).

55. I am informed by Jennifer Stam of Gowling Lafleur Henderson LLP and do verily believe that this motion will be served on, among others (the "**Canadian Service List**"):

    (a) all personal property security registrants ("**PPSA Registrants**") or counsel;

(b) Allied's Canadian pension plans[13], the Financial Services Commissioner of Ontario and the Superintendents of Pensions in Alberta and Quebec and the Office of the Superintendent of Financial Institutions Canada;

(c) various Federal and Provincial taxing and environmental authorities; and

(d) additional parties as requested by counsel to the Stalking Horse Purchaser.

56. Additional details regarding specific items to note concerning the Canadian Service List are set out in my affidavit sworn in support of the recognition of the order for the Replacement DIP Facility.

Status of Objections

57. As set out above, the objection deadline for the US Bid Procedures Motion is **May 29, 2013 at 12pm (noon)**. To the extent that there are additional materials or changes to the US Bid Procedures Motion and/or US Bid Procedures Order as a result of any objections, I expect further materials would be filed in the Canadian proceedings prior to the return of the motion.

Supplemental Materials

58. To the extent there are further relevant documents subsequently filed in connection with the US Bid Procedures Motion including objections, amendments to any of the documents and other matters, I expect that supplemental materials will be filed with this Court prior to the return of the Canadian motion. I also expect that supplemental materials will be filed after the May 31 hearing before the US Court in order to reflect the final terms of the US Bid Procedures Order and Bid Procedures including the dates scheduled thereto.

CONCLUSION

59. I believe that it is imperative that the Chapter 11 Debtors promptly move forward with the Auction and the Sale, in order to generate and retain potential purchasers' interests in

[13] The Canadian bargaining pension plans consist of: (i) Eckler Ltd. (Canadian Auto Carriers & Logistics Pension Plan; (ii) Teamsters Canadian Pension Plan Local 106; (iii) Teamsters Canadian Pension Plan Local 213; and (iv) Prairie Teamsters Pension Plan

the Purchased Assets and to maintain the going-concern value of the Chapter 11 Debtors' business. The Sale Agreement was negotiated at arm's length and is fair and reasonable in the circumstances. Further, other interested parties will have the opportunity to participate in the Auction process pursuant to the Bid Procedures to further maximize the value of the estates.

60. The Chapter 11 Debtors have been in Chapter 11 proceedings for almost a year. Although there have been various delays, it is necessary for this process to move forward so that the business may be transferred to a new operator. Recognition of the US Bid Procedures Order (in the event that it is approved by the US Court) will facilitate the implementation of the proposed process as well as satisfy one of the conditions of funding under the proposed Replacement DIP Facility.

SWORN before me at the City of ATLANTA)
in the State of GEORGIA ,)
this 28th day of May, 2013)
)
)

Dianna S. Capps
Commissioner for Taking Affidavits or Notary

Dianna S Capps
NOTARY PUBLIC
DeKalb County, GEORGIA
My Commission Expires
3/7/2017

SCOTT MACAULAY

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SCHEDULE A – APPLICANTS

Allied Systems Holdings, Inc.

Allied Automotive Group, Inc.

Allied Freight Broker LLC

Allied Systems (Canada) Company

Allied Systems, Ltd. (L.P.)

Axis Areta, LLC

Axis Canada Company

Axis Group, Inc.

Commercial Carriers, Inc.

CT Services, Inc.

Cordin Transport LLC

F.J. Boutell Driveway LLC

GACS Incorporated

Logistic Systems, LLC

Logistic Technology, LLC

QAT, Inc.

RMX LLC

Transport Support LLC

Terminal Services LLC

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Court File No.: 12-CV-9757-00CL

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ALLIED SYSTEMS HOLDINGS, INC., ALLIED SYSTEMS (CANADA) COMPANY, AXIS CANADA COMPANY AND THOSE OTHER COMPANIES LISTED ON SCHEDULE "A" HERETO

APPLICATION OF ALLIED SYSTEMS HOLDINGS, INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

	ONTARIO **SUPERIOR COURT OF JUSTICE** **Proceeding commenced at Toronto, Ontario, Canada**
	AFFIDAVIT OF SCOTT MACAULAY **(Bid Procedures Motion Recognition)** **(sworn May 28, 2013)**
	GOWLINGS LAFLEUR HENDERSON LLP Barristers and Solicitors One First Canadian Place 100 King Street West, Suite 1600 TORONTO, Ontario M5X 1G5 Jennifer Stam (LSUC#46735J) Telephone: (416) 862-5697 Facsimile: (416) 862-7661 Lawyers for the Applicant

TAB 3

Court File No. 12- CV-9757-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C 36, AS AMENDED

AND IN THE MATTER OF ALLIED SYSTEMS HOLDINGS, INC., ALLIED SYSTEMS (CANADA) COMPANY, AXIS CANADA COMPANY AND THOSE OTHER COMPANIES LISTED ON SCHEDULE "A' HERETO

APPLICATION OF ALLIED SYSTEMS HOLDINGS, INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C 36, AS AMENDED

AFFIDAVIT OF AVA KIM
(Bid Procedures Motion Recognition)
(Sworn on May 28, 2013)

I, Ava Kim, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY**:

1. I am an Associate with Gowling Lafleur Henderson LLP, lawyers for Allied Systems Holdings, Inc. (the "**Applicant**") in its capacity as foreign representative of Allied Systems Holdings, Inc., Allied Systems (Canada) Company, Axis Canada Company and those other companies listed on Schedule "A" hereto (collectively, the **"Chapter 11 Debtors"**). I swear this affidavit in support of the Applicant's Motion for an order, *inter alia*, recognizing the US Order approving the Bid Procedures set forth in the Sale Agreement (as defined in the Affidavit of Scott Macaulay sworn May 28, 2013, **"Bid Procedures Motion Recognition Affidavit"**).

2. A copy of the following documents (as each is defined in the Bid Procedures Motion Recognition Affidavit) are attached hereto as follows:

(a) The US Motion (without attachments) as Exhibit A;

(b) The Sale Agreement (without attachments) as Exhibit B;

(c) The proposed form of US Order (without attachments) as Exhibit C;

(d) The proposed form of Bid Procedures (without attachments) as Exhibit D;

(e) The proposed form of Sale Notice as Exhibit E; and

(f) The proposed form of Cure Notice as Exhibit F.

3. I make this affidavit in support of the within Motion and for no other or improper purpose.

SWORN before me at the City of Toronto, in the Province of Ontario, this 28th day of May, 2013.

Commissioner for Taking Affidavits
Tanya Rocca

AVA KIM

SCHEDULE A – APPLICANTS

Allied Systems Holdings, Inc.

Allied Automotive Group, Inc.

Allied Freight Broker LLC

Allied Systems (Canada) Company

Allied Systems, Ltd. (L.P.)

Axis Areta, LLC

Axis Canada Company

Axis Group, Inc.

Commercial Carriers, Inc.

CT Services, Inc.

Cordin Transport LLC

F.J. Boutell Driveway LLC

GACS Incorporated

Logistic Systems, LLC

Logistic Technology, LLC

QAT, Inc.

RMX LLC

Transport Support LLC

Terminal Services LLC

TAB A

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This is Exhibit "A" referred to in the Affidavit of Ava Kim, sworn May 28, 2013

Commissioner for Taking Affidavits (or as may be)

TANYA ROCCA

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
ALLIED SYSTEMS HOLDINGS, INC., *et al.*,[1]	Case No. 12-11564 (CSS)
Debtors.	(Jointly Administered)
	Proposed Hearing Date: May 31, 2013 at 10:00 a.m. (EDT) **Proposed Objection Deadline: May 29, 2013 at noon (EDT)**

NOTICE OF MOTIONS AND HEARING

PLEASE TAKE NOTICE that, on May 17, 2013, the above-captioned debtors (collectively, the "**Debtors**") filed the **Motion of the Debtors for Entry of Orders: (A)(I) Approving Bid Procedures Relating to Sale of Debtors' Assets; (II) Approving Bid Protections; (III) Scheduling a Hearing to Consider the Sale; (IV) Approving the Form and Manner of Notice of Sale by Auction; (V) Establishing Procedures for Noticing and Determining Cure Amounts; and (VI) Granting Related Relief; and (B)(1) Approving Asset Purchase Agreement and Authorizing the Sale of Certain Assets of Debtors Outside the Ordinary Course of Business; (II) Authorizing the Sale of Assets Free and Clear of all Liens, Claims, Encumbrances, and Interests; (III) Authorizing the Assumption, Sale, and Assignment of Certain Executory Contracts and Unexpired Leases; and (IV) Granting Related Relief** (the "**Motion**") with the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**").

[1] The Debtors in these cases, along with the federal tax identification number (or Canadian business number where applicable) for each of the Debtors, are: Allied Systems Holdings, Inc. (58-0360550); Allied Automotive Group, Inc. (58-2201081); Allied Freight Broker LLC (59-2876864); Allied Systems (Canada) Company (90-0169283); Allied Systems, Ltd. (L.P.) (58-1710028); Axis Areta, LLC (45-5215545); Axis Canada Company (87568828); Axis Group, Inc. (58-2204628); Commercial Carriers, Inc. (38-0436930); CT Services, Inc. (38-2918187); Cordin Transport LLC (38-1985795); F.J. Boutell Driveaway LLC (38-0365100); GACS Incorporated (58-1944786); Logistic Systems, LLC (45-4241751); Logistic Technology, LLC (45-4242057); QAT, Inc. (59-2876863); RMX LLC (31-0961359); Transport Support LLC (38-2349563); and Terminal Services LLC (91-0847582). The location of the Debtors' corporate headquarters and the Debtors' address for service of process is 2302 Parklake Drive, Bldg. 15, Ste. 600, Atlanta, Georgia 30345.

Docket No. 1175
Date Filed: 5/17/13

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PLEASE TAKE FURTHER NOTICE that, contemporaneously with the filing of the Motion, the Debtors also filed the **Debtors' Motion to Shorten Notice and Objection Periods for the Debtors' (A) Bid Procedures Motion and (B) Replacement DIP Motion** (the "**Motion to Shorten**") with the Bankruptcy Court, pursuant to which the Debtors have requested approval of shortened notice and objection periods relating to certain relief requested in the Motion (the "**Bid Procedures Relief**").

PLEASE TAKE FURTHER NOTICE that if the Bankruptcy Court grants the relief requested in the Motion to Shorten (i) a hearing to consider the Bid Procedures Relief in the Motion will be held before The Honorable Christopher S. Sontchi, United States Bankruptcy Judge for the District of Delaware, at the Bankruptcy Court, 824 North Market Street, 5th Floor, Courtroom 6, Wilmington, Delaware 19801 on **May 31, 2013 at 10:00 a.m. (Eastern Daylight Time)** (the "**Hearing**") and (ii) any responses or objections to the Bid Procedures Relief in the Motion must be in writing, filed with the Clerk of the Bankruptcy Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801, and served upon and received by the undersigned proposed counsel for the Debtors on or before **May 29, 2013 at 12:00 p.m. (noon) (Eastern Daylight Time)**.

PLEASE TAKE FURTHER NOTICE that if the Bankruptcy Court denies, in whole or in part, the relief requested in the Motion to Shorten, parties-in-interest will receive separate notice of the Bankruptcy Court-approved objection deadline and hearing date for the Motion.

Dated: May 17, 2013
Wilmington, Delaware

Respectfully submitted,

Mark D. Collins (No. 2981)
Christopher M. Samis (No. 4909)
Marisa A. Terranova (No. 5396)
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-and-

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: **ALLIED SYSTEMS HOLDINGS, INC., *et al.*[1],** **Debtors.**	**Chapter 11** **Case No. 12-11564 (CSS)** **(Jointly Administered)** **Proposed Hearing Date: May 31, 2013 at 10:00 a.m.** **Proposed Objection Date: May 29, 2013 at Noon**

MOTION OF THE DEBTORS FOR ENTRY OF ORDERS: (A)(I) APPROVING BID PROCEDURES RELATING TO SALE OF THE DEBTORS' ASSETS; (II) APPROVING BID PROTECTIONS; (III) SCHEDULING A HEARING TO CONSIDER THE SALE; (IV) APPROVING THE FORM AND MANNER OF NOTICE OF SALE BY AUCTION; (V) ESTABLISHING PROCEDURES FOR NOTICING AND DETERMINING CURE AMOUNTS; AND (VI) GRANTING RELATED RELIEF; AND (B)(I) APPROVING ASSET PURCHASE AGREEMENT AND AUTHORIZING THE SALE OF CERTAIN ASSETS OF DEBTORS OUTSIDE THE ORDINARY COURSE OF BUSINESS; (II) AUTHORIZING THE SALE OF ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS; (III) AUTHORIZING THE ASSUMPTION, SALE, AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES; AND (IV) GRANTING RELATED RELIEF

Allied Systems Holdings, Inc. ("**Allied Holdings**"), together with the other above-captioned debtors and debtors in possession (collectively, the "**Debtors**"), files this motion (the "**Motion**") pursuant to Sections 105(a), 363, 365, and 503(b) of title 11 of the United States Code (the "**Bankruptcy Code**"), and Rules 2002, 6004, 6006, and 9014 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and Rule 6004-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of

[1] The Debtors in these cases, along with the federal tax identification number (or Canadian business number where applicable) for each of the Debtors, are: Allied Systems Holdings, Inc. (58-0360550); Allied Automotive Group, Inc. (58-2201081); Allied Freight Broker LLC (59-2876864); Allied Systems (Canada) Company (90-0169283); Allied Systems, Ltd. (L.P.) (58-1710028); Axis Areta, LLC (45-5215545); Axis Canada Company (87568828); Axis Group, Inc. (58-2204628); Commercial Carriers, Inc. (38-0436930); CT Services, Inc. (38-2918187); Cordin Transport LLC (38-1985795); F.J. Boutell Driveway LLC (38-0365100); GACS Incorporated (58-1944786); Logistic Systems, LLC (45-4241751); Logistic Technology, LLC (45-4242057); QAT, Inc. (59-2876863); RMX LLC (31-0961359); Transport Support LLC (38-2349563); and Terminal Services LLC (91-0847582). The location of the Debtors' corporate headquarters and the Debtors' address for service of process is 2302 Parklake Drive, Bldg. 15, Ste. 600, Atlanta, Georgia 30345.

Delaware (the "**Local Rules**"), for entry of two orders: (a) one, substantially in the form attached hereto as **Exhibit A** (the "**Bid Procedures Order**"), (i) approving the bid procedures (the "**Bid Procedures**") substantially in the form attached to the Bid Procedures Order at Exhibit 1, including the bid protections as set forth in the asset purchase agreement (the "**Sale Agreement**") between the Debtors, as sellers, and New Allied Acquisition Co. LLC (or its assignee or designee as contemplated by the Sale Agreement) (the "**Stalking Horse Purchaser**") an acquisition entity formed by Black Diamond Commercial Finance, L.L.C. and Spectrum Commercial Finance LLC, in their capacities as "Co-Administrative Agents" under the First Lien Credit Agreement (as defined below) at the direction of the BD/Spectrum Requisite Lenders (as defined below), with respect to the proposed sale (the "**Sale**") of substantially all of the assets (as discussed in greater detail below, the "**Purchased Assets**"), (ii) scheduling a hearing (the "**Sale Hearing**") on the Sale and setting objection and bidding deadlines with respect to the Sale, (iii) approving the form and manner of notice of an auction for the Purchased Assets (the "**Auction**"), (iv) establishing procedures to determine cure amounts and deadlines for objections for certain contracts and leases to be assumed and assigned by the Debtors (the "**Assumed and Assigned Agreements**"), and (v) granting related relief; and (b) a second order, substantially in the form attached hereto as **Exhibit B** (the "**Sale Order**"),[2] (i) authorizing and approving the Sale Agreement, a copy of which is attached hereto as **Exhibit C**, (ii) authorizing the Sale free and clear of liens, claims, encumbrances, and interests pursuant to the Sale Agreement, with such liens, claims, encumbrances, and interests to attach to the proceeds, if any, received by the Debtors from the Sale (the "**Sale Proceeds**") less the amount of cash necessary to fund (1) any professional fee carve-out approved in the Existing DIP Order and Replacement

[2] The form of the Sale Order will be filed with the Court no later than five (5) days prior to the hearing on this Motion.

DIP Order (each as defined below), and (2) such other wind-down costs as may be approved by the Court as part of the Sale Agreement, (iii) authorizing the assumption and sale of the Assumed and Assigned Agreements (as defined herein), and (iv) granting related relief. In support of this Motion, the Debtors respectfully state to the Court as follows:

I. JURISDICTION AND VENUE

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

2. The statutory predicates for the relief sought herein are Sections 105(a), 363, 365, and 503(b) of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, and 9014, and Local Rules 2002-1 and 6004-1.

3. Pursuant to Local Rule 9013-1(f), the Debtors hereby confirm their consent to the entry of a final order by this Court in connection with this Motion if it is later determined that this Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

II. BACKGROUND

A. The Petitions.

4. On May 17, 2012, involuntary petitions were filed against Allied Holdings and Allied Systems, Ltd. (L.P.) ("**Allied Systems**") under Chapter 11 of the Bankruptcy Code in this Bankruptcy Court (the "**Court**"). The involuntary petitions were filed by BDCM Opportunity Fund II, LP, Black Diamond CLO 2005-1 Ltd., and Spectrum Investment Partners, L.P., (the "**Petitioning Creditors**"). On June 10, 2012, the remaining Debtors (all direct or indirect subsidiaries of Allied Holdings), filed voluntary petitions in this Court. On June 11, 2012, Allied

Holdings and Allied Systems consented to the entry of an order for relief (the "**Consent Date**"). The "**Petition Date**" of such Debtor is the date that such involuntary petition or voluntary petition was filed by or against such Debtor. The chapter 11 cases commenced thereby are, collectively, the "**Chapter 11 Cases.**"

5. The Debtors have continued in possession of their properties and are operating and managing their businesses as debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

6. An Official Committee of Unsecured Creditors (the "**Committee**") was appointed by the Office of the United States Trustee on June 19, 2012.

B. <u>DIP Obligations</u>.

7. Pursuant to an existing debtor-in possession delayed draw term loan facility (the "**First DIP Facility**"), substantially all of the Debtors' assets are encumbered by liens in favor of Yucaipa American Alliance Fund II, LLC, as Agent, for the benefit of certain lenders that are party from time to time to that certain Senior Secured Super-Priority Debtor in Possession Credit and Guaranty Agreement, dated as of June 12, 2012 (as amended from time to time, the "**First DIP Credit Agreement**"). The First DIP Credit Agreement currently provides post-petition financing for the Debtors in an amount of up to $22 million.

8. Concurrently with this Motion, the Debtors have filed a motion seeking a replacement DIP lending facility (the "**Replacement DIP Facility**"), which seeks to refinance the First DIP Facility with a new credit facility in an amount up to $33.5 million provided by affiliates of the Petitioning Creditors. The Replacement DIP Facility will provide financing to enable the Debtors to sell their assets as proposed in this Motion and ultimately wind down these Chapter 11 Cases.

C. **Prepetition First and Second Lien Debt.**

9. Prepetition Credit Facilities. The plan of reorganization confirmed in the Debtors' 2005 bankruptcy case[3] provided for two exit financing facilities: a first lien facility (the "**First Lien Facility**") and a second lien facility (the "**Second Lien Facility,**" and together with the First Lien Facility, the "**Prepetition Credit Facilities**"). Both of these facilities were outstanding as of the commencement of the Chapter 11 Cases. As of the Petition Date or Consent Date, the Debtors owed approximately $244,021,526 in principal under the First Lien Facility and $30,000,000 under the Second Lien Facility. The lenders under the Prepetition Credit Facilities are referred to as the "**Prepetition Lenders.**" Each of the Debtors and the collateral agents for the two credit facilities entered into an Intercreditor Agreement dated as of May 15, 2007 (the "**Intercreditor Agreement**") to set forth, among other things, the relative rights and priorities as between these two credit facilities.

10. First Lien Facility. The First Lien Facility is evidenced by the Amended and Restated First Lien Senior Secured Super-Priority Debtor in Possession and Exit Credit and Guaranty Agreement, dated as of May 15, 2007, as amended by an amendment no. 1 dated as of May 29, 2007, an amendment no. 2, dated as of June 12, 2007, and an amendment no. 3 dated as of April 17, 2008 (as amended, the "**First Lien Credit Agreement**"),[4] by and among Allied Holdings and Allied Systems, as borrowers, certain of their subsidiaries, as guarantors, Goldman Sachs Credit Partners L.P. ("**Goldman Sachs**"), as lead arranger and syndication agent, The CIT Group/Business Credit, Inc. ("**CIT**"), in its capacity as administrative agent and collateral agent

[3] In re Allied Holdings, et al., filed on July 31, 2005 in the United States Bankruptcy Court for the Northern District of Georgia, Newnan Division (Case No. 05-12515-CRM), and closed on June 5, 2012.

[4] An amendment no. 4 dated as of August 21, 2009 (the "**Fourth Amendment**") to the First Lien Credit Agreement was held invalid and unenforceable in the New York Litigation (as defined herein), and thus is not included in the definition of First Lien Credit Agreement.

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(the "**First Lien Agent**"), and CIT, Yucaipa,[5] and the other lenders party thereto, as lenders (collectively, "**First Lien Lenders**").

11. CIT resigned as First Lien Agent by notice dated April 19, 2012. On December 3, 2012, the BD/Spectrum Requisite Lenders appointed Black Diamond Commercial Finance, L.L.C. ("**BDCF**") and Spectrum Commercial Finance LLC as successor Co-Administrative Agents (the "**First Lien Agents**") and BDCF as Collateral Agent under the First Lien Credit Agreement.

12. The First Lien Facility provided up to $265,000,000 in principal amount of financings, and included three sub-facilities (i) a revolving loan facility of up to $35,000,000, (ii) a synthetic letter of credit facility of up to $50,000,000, and (iii) a term loan facility of up to $180,000,000.

13. The Petitioning Creditors, together with AMMC VIII, Limited (collectively, the "**BD/Spectrum Requisite Lenders**") collectively hold $56,486,964.50 in principal amount of obligations under the First Lien Facility, which represents 23.15% of the outstanding indebtedness under such facility. Although Yucaipa purports to hold $134,835,688.70 in principal amount of obligations under the First Lien Facility, which represents 55.25% of the outstanding indebtedness, pursuant to an opinion and order docketed on March 29, 2013, in the Supreme Court of New York, County of New York (Index No. 650150/2012 (the "**New York Litigation**")), Justice Charles E. Ramos held that Amendment No. 4 to the First Lien Credit Agreement was invalid (the "**Fourth Amendment Order**"). Pursuant to the Fourth Amendment Order and Amendment No. 3 to the First Lien Credit Agreement, Yucaipa's portion of the outstanding indebtedness under the First Lien Credit Agreement is excluded for the purpose of

[5] In connection with the First Lien Credit Agreement, "**Yucaipa**" means Yucaipa American Alliance Fund I, L.P. and Yucaipa American Alliance (Parallel) Fund I, L.P.

determining the Requisite Lenders under the First Lien Credit Agreement. Accordingly, the BD/Spectrum Requisite Lenders are the Requisite Lenders under the First Lien Credit Agreement. On April 23, 2013, Yucaipa filed in the Supreme Court of the State of New York, Appellate Division, an appeal from, and a motion to stay, the Fourth Amendment Order. However, unless the Fourth Amendment Order is either stayed or reversed on appeal, the BD/Spectrum Requisite Lenders act as the Requisite Lenders, which includes the right to direct the First Lien Agent to submit a credit bid on behalf of the First Lien Lenders. Accordingly, the Stalking Horse Purchaser, upon assignment of the rights of the First Lien Agents, will have the right to credit bid on behalf of the First Lien Lenders.

14. Second Lien Facility. The Second Lien Facility is evidenced by the Second Lien Secured Super-Priority Debtor in Possession and Exit Credit and Guaranty Agreement, dated as of May 15, 2007, as amended by an amendment no. 1 dated as of May 29, 2007, an amendment no. 2, dated as of June 12, 2007, and an amendment no. 3, dated as of April 17, 2008 (as amended, the "**Second Lien Credit Agreement**"), by and among Allied Holdings and Allied Systems, as borrowers, certain of their subsidiaries, as guarantors, Goldman Sachs, as administrative agent and collateral agent (together with its successors as administrative agent and collateral agent, the "**Second Lien Agent**"), and as lead arranger and syndication agent, and the lenders party thereto (collectively, the "**Second Lien Lenders**"). The Bank of New York Mellon ("**BNYM**") has replaced Goldman Sachs as Second Lien Agent. The Second Lien Facility originally consisted of a $50,000,000 term loan facility.

15. Prepetition Collateral. Both Prepetition Credit Facilities are secured by liens in all or substantially all of the assets of Allied Holdings and Allied Systems, and their U.S. and Canadian subsidiaries (the Debtors herein), pursuant to (i) in the case of the First Lien Facility,

the Amended and Restated Pledge and Security Agreement (First Lien) and (ii) in the case of the Second Lien Facility, the Amended and Restated Pledge and Security Agreement (Second Lien), both dated as of May 15, 2007 (the "**Prepetition Security Agreements**"). The credit and security documents for the First Lien Loan Documents and the Second Lien Loan Documents (as such terms are defined in the First Lien Credit Agreement) are referred to herein as the "**Prepetition Loan Documents,**" and the collateral described therein is referred to herein as the "**Prepetition Collateral.**" The Prepetition Collateral principally consists of Rigs, accounts receivable, deposits in bank accounts, certain real estate, and the stock of most of Allied Holdings' direct and indirect subsidiaries. The Debtors agree that their obligations under the First Lien Credit Agreement and the Second Lien Credit Agreement are secured by perfected, valid, binding and non-avoidable priority security interests and liens upon substantially all of the assets of each Debtor; *provided, however*, that the Prepetition Lenders are not perfected in certain excluded assets and deposit accounts, certain small or pledged deposits in which the First Lien Agent does not have a control agreement, *see* Cash Management Order [D.I. 109], or in certain real estate, which is not encumbered by a mortgage, and those assets are not included in the Prepetition Collateral (collectively, the "**Unencumbered Assets**"). Under the Intercreditor Agreement, the liens securing the Second Lien Facility are junior and subordinate to the liens securing the First Lien Facility.

16. Prepetition Obligations.

(a) First Lien Debt. Immediately prior to the Petition Date, the principal amount of the loans under the First Lien Facility was $244,021,526, as follows: (a) $35,000,000 in outstanding revolving loans, (b) $33,071,526 in outstanding letter of credit loans, and (c) $175,950,000 in outstanding term loans

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(together with interest, fees and expenses, collectively, the "**Prepetition First Lien Debt**"). The Debtors have acknowledged that the Prepetition First Lien Debt is unconditionally due and owing and secured by valid, unavoidable liens pursuant to paragraph D of the First DIP Order[6] and no longer subject to any challenge except for the claims asserted against Yucaipa in the adversary proceeding captioned *The Official Committee of Unsecured Creditors of Allied Systems Holdings, Inc. v. Yucaipa American Alliance Fund I, L.P. et al.*, Adv. Case No. 13-50530.

(b) Second Lien Debt. Immediately prior to the Petition Date, the principal amount of the term loans outstanding under the Second Lien Facility was $30,000,000 (together with interest, fees and expenses, collectively, the "**Prepetition Second Lien Debt**").

The indebtedness owing as of the Petition Date under the First Lien Credit Agreement and the Second Lien Credit Agreement is referred to collectively as the "**Prepetition Indebtedness.**"

III. THE PROPOSED SALE AND RELATED PROCEDURES

A. The Proposed Sale.

17. After substantial analysis, the Debtors believe that it is in the best interests of the Debtors and their estates to enter into the Sale Agreement to sell their assets, subject to higher and better offers. Specifically, the Debtors, after extensive prepetition and postpetition efforts to maximize value, a review of various reorganization, liquidation, and sale options and discussions

[6] The "**First DIP Order**" means the "Final Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363(c), 364(c)(2), 364(c)(3), 364(d)(1), 364(e), 503(b) and 507(a), Fed. R. Bankr. P. 2002, 4001 and 9014 and Del. Bankr. L.R. 4001-2: (i) Authorizing Debtors to (a) Obtain Postpetition Secured DIP Financing and (b) Use Cash Collateral; (ii) Granting Superpriority Liens and Providing for Superpriority Administrative Expense Status; (iii) Granting Adequate Protection to Prepetition Secured Lenders; and (iv) Modifying Automatic Stay" entered on July 13, 2012 (Dkt. No. 230).

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with the Debtors' professionals, ultimately determined in the exercise of their reasonable business judgment that the most effective way to maximize the value of the Debtors' estates for the benefit of their constituents would be to sell substantially all of their assets and to then wind-down any remaining operations. The Debtors believe that the proposed Sale will maximize the value of the Debtors' assets for all stakeholders and reduce potential risks, contingencies, and uncertainties in the proposed wind-down.

18. **The following sub-paragraphs summarize key provisions of the Sale Agreement, but are qualified in their entirety by reference to the actual Sale Agreement:**[7]

a. Purchase Price. The aggregate consideration for the sale and transfer of the Purchased Assets (the "**Purchase Price**") shall be (a) an amount of cash sufficient to pay in full all obligations owing under the Replacement DIP Facility; plus (b) an amount of cash sufficient to fund the Wind Down Budget; plus (c) Additional Cash Consideration of up to $10 million; plus (d) a credit bid equal to the Claim Contribution;[8] plus (e) the assumption of Assumed Liabilities, including payment of all Cure Costs in accordance with the terms of the Sale Order.

b. Purchased Assets.[9] Substantially all of the Sellers' assets, including, all direct or indirect, right, title, and interests of the Sellers in and to all the tangible and intangible assets, properties, rents, claims, and contracts of the Sellers, to the extent transferable, excluding the Excluded Assets as defined in the Sale Agreement.

c. Assumed Liabilities. The Stalking Horse Purchaser will assume and pay, perform, or discharge when due or otherwise, certain specified liabilities of the Sellers set forth in the Sale Agreement, including Cure Costs.

d. Excluded Assets. The Purchased Assets are the only assets transferred to, or otherwise acquired by, the Stalking Horse Purchaser under the Sale Agreement. The Purchased Assets do not include the properties and assets of Sellers listed or described in Section 1.2 of the Sale Agreement.

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[7] Capitalized terms in the below sub-paragraphs, otherwise not defined in this Motion, have the meanings ascribed to them in the Sale Agreement and the Bid Procedures, as applicable.

[8] The Claim Contribution is equal to $70 million less the sum of the amounts in clauses (a), (b), and (c).

[9] The Sale does not include the transfer of "personally identifiable information," as defined in Section 101(41 A) of the Bankruptcy Code.

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e. Excluded Liabilities. The Sellers shall retain all liabilities and obligations that are not Assumed Liabilities, as described in Section 1.4 of the Sale Agreement.

f. Business Records. Pursuant to Section 1.1 of the Sale Agreement, the Sellers' Business Records are a Purchased Asset. Pursuant to Section 8.7 of the Sale Agreement, Purchaser must preserve the Business Records and make such records available to the Debtors.

g. Due Diligence or Financing Condition. The Stalking Horse Purchaser will have until June 14, 2013 to complete due diligence.[10] There are no financing conditions.

h. Closing and Other Deadlines. The Closing shall occur on the date that is two (2) business days following the date that all conditions under Sections 9.1 and 9.2 of the Sale Agreement are satisfied or such other date as the Stalking Horse Purchaser and the Sellers may agree upon in writing.

i. No Good Faith Deposit; Liquidated Damages. Because the Stalking Horse Purchaser is credit bidding less than the full amount owed to it pursuant to the Prepetition First Lien Debt, no deposit has been made by or is otherwise required of the Stalking Horse Purchaser. In the Event the Purchaser breaches its obligations under the Sale Agreement, the Sale Agreement provides that the Sellers shall be entitled, as liquidated damages, to retain the first $5 million of value otherwise distributable to the First Lien Lenders.

j. Termination. The rights of the Stalking Horse Purchaser and the Sellers to terminate the Sale Agreement are set forth in Section 3.4 of the Sale Agreement.

k. Successor Liability. The Sale Agreement provides that the Sale Order shall contain a determination that the Stalking Horse Purchaser is not a successor to any Seller or otherwise liable for any Seller's liabilities (other than the Assumed Liabilities).

l. No Stay. Relief from the fourteen-day stay of Bankruptcy Rule 6004(h) is requested herein.

m. Non-Solicitation. Section 7.1(f) of the Sale Agreement provides limitations of the Sellers' ability to solicit bids for the Purchased Assets between the date this Motion is filed and the date on which the Bid Procedures Order is entered.

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[10] If the Stalking Horse Purchaser's due diligence condition is not satisfied or waived by June 14, 2013, and the Stalking Horse Purchaser elects to terminate the Sale Agreement, the Stalking Horse Purchaser will not be entitled to any Expense Reimbursement (as defined below).

19. The Debtors believe that the Sale is in the best interests of their estates and all parties-in-interest. Upon approval of the Bid Procedures, the Debtors will continue to market their assets to and negotiate with all potential purchasers, including the Stalking Horse Purchaser, in an effort to achieve maximum value for the benefit of all of their constituents.

B. Proposed Bid Procedures.

20. The Debtors believe that it is imperative that they promptly move forward with the Auction and the Sale, in order to generate and retain potential purchasers' interests in the Purchased Assets and to maintain the going-concern value of the Debtors' business. Accordingly, the Bid Procedures (as summarized below) were developed consistent with the Debtors' need to expedite the sale process, but with the objective of promoting active bidding that will result in the highest or best offer for the Purchased Assets while affording appropriate protection for the Stalking Horse Purchaser. Moreover, the Bid Procedures reflect the Debtors' objective of conducting the Auction in a controlled, but fair and open, fashion that promotes interest in the Purchased Assets by financially motivated bidders who are likely to close the transaction.

21. The Debtors seek to conduct an open sales process pursuant to which the winning bidder will enter into an asset purchase agreement, substantially in the form of the Sale Agreement attached hereto as **Exhibit C**, for the purchase of substantially all of the Debtors' assets, free and clear of liens, claims, and encumbrances, with such liens, claims, and encumbrances to attach to the Sale Proceeds, if any.[11] The key provisions of the Sale Agreement are summarized above, but are qualified in their entirety by reference to the actual Sale

[11] The distribution to Yucaipa of its pro rata share of the Stalking Horse Purchaser's equity by virtue of its alleged status as a First Lien Lender (or Sale Proceeds received from a Successful Bidder, as applicable) shall be held in an escrow account, pending a further Court order at the conclusion of the adversary proceeding captioned *The Official Committee of Unsecured Creditors of Allied Systems Holdings, Inc. v. Yucaipa American Alliance Fund I, L.P. et al.*, Adv. Case No. 13-50530.

Agreement, which terms may change pursuant to negotiation with the Successful Bidder at the Auction.

22. Attached to the Bid Procedures Order at Exhibit 1 are the proposed Bid Procedures. Pursuant to Local Rule 6004-1: (a) each bidder participating at the Auction will be required to confirm that it has not engaged in any collusion with respect to the bidding or the Sale; (b) the Auction will be conducted openly, but only the Debtors, the Stalking Horse Purchaser, the professionals and advisors of the Creditors Committee, any creditor of the Debtors that has provided written notice to the Debtors' counsel at least five (5) business days in advance of the Auction of his, her, or its intent to attend the Auction, and any Qualified Bidder who has timely submitted a Qualified Bid, together with professional advisors to each of the foregoing, may attend the Auction, and (c) bidding at the Auction will be transcribed. The Bid Procedures are typical for asset sales of this size and nature, require a deposit (except with regard to the Stalking Horse Purchaser), include provisions for consultation with the Committee, and require that a bidder be a "**Qualified Bidder**" as defined in the Bid Procedures.

23. **The following paragraphs in this section summarize key provisions of the Bid Procedures, but are qualified in their entirety by reference to the actual Bid Procedures:**[12]

[12] Capitalized terms not defined in the below sub-paragraphs shall have the meanings ascribed to them in the Bid Procedures or the Sale Agreement, as applicable.

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a. Potential Bidders and Access to Information. Prior to the deadline for the submission of bids, the Debtors will afford to Potential Bidders meeting certain requirements access to reasonable due diligence or additional information as may be reasonably requested by the Potential Bidder that the Debtors, in their reasonable business judgment, determine to be reasonable and appropriate. To obtain the foregoing due diligence and information, all Potential Bidders must comply with the following requirements:

   i. Deliver an executed confidentiality agreement substantially on similar terms as that signed by the Stalking Horse Purchaser and in form and substance reasonably acceptable to the Debtors; and

   ii. Disclose the identity of the Potential Bidder, including the equity holders and sponsors of the Potential Bidder and any guarantors of the obligations of the Potential Bidder in connection with the Sale; and

b. Qualified Bidders. To be a **"Qualified Bidder"** a Potential Bidder must meet the following the requirements:

   i. Deliver an executed confidentiality agreement if not already delivered;

   ii. Deliver no later than [_____],[13] 2013 financial information and credit-quality support or enhancement that demonstrate, in the Debtors' reasonable discretion, in consultation with the Consultation Party, the financial capability of the Potential Bidder to consummate the proposed transaction for the desired Assets;

   iii. A determination by the Debtors, in their reasonable discretion, in consultation with the Consultation Party, that the Potential Bidder is reasonably likely to submit a bona fide offer for the Assets and will be able to consummate such transaction if selected as the Successful Bidder within the time frame set forth in the Bid Procedures; and

   iv. Submission of a Qualified Bid.

[13] At the hearing to approve the Bid Procedures, the Debtors will ask the Court to approve appropriate dates and times for all blank spaces set forth in this Motion and Exhibits. Generally, the Debtors will be requesting that the Auction be scheduled on or about July 25, 2013 and the Sale Hearing be scheduled on or about July 31, 2013.

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c. Qualified Bid.[14] To participate in any Auction, a Qualified Bidder must submit a written offer meeting each of the following requirements (a "**Qualified Bid**"):

i. The consideration must include cash equal to, or in excess of, the **sum** of the following:

(a) an amount sufficient to pay the DIP Payment (as defined in section 2.1(a)(i) the Sale Agreement); plus

(b) an amount equal to the Wind Down Budget Consideration (as defined in section 2.1(a)(ii) of the Sale Agreement); plus

(c) an amount equal to the Additional Cash Consideration; plus

(d) an amount equal to the Claim Contribution (as defined in section 2.1(a)(iii) of the Sale Agreement); plus

(d) $5 million.

In addition, the bid must provide for the assumption of the Assumed Liabilities (as defined in the Sale Agreement).

ii. Include a good faith deposit (the "**Good Faith Deposit**") in the form of a certified check, wire transfer or such other form of a cash equivalent, in an amount equal to 10% of the aggregate value of the Qualified Bidder's bid, except that the Stalking Horse Purchaser shall not be required to make a Good Faith Deposit;

iii. Be on terms that are substantially the same or better than the terms of the Sale Agreement and be accompanied by a clean, duly executed and binding purchase agreement, including all schedules, exhibits, and ancillary documents contemplated by the Sale Agreement (collectively, a "**Modified Agreement**"), together with a blacklined copy marked to show all changes from the Sale Agreement with the Stalking Horse Purchaser;

iv. The Modified Agreement must contain a covenant that the Qualified Bidder shall make all necessary filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or other applicable competition laws or regulations, if any, and pay all

[14] The Stalking Horse Purchaser shall be deemed a Qualified Bidder and its credit bid is a Qualified Bid. The Debtors shall have the right, but not the obligation, to deem any lender holding undisputed claims under the First Lien Credit Agreement in excess of the principal amount of $10 million as a Qualified Bidder, and to permit such Qualified Bidder to participate in the Auction without prior compliance with the requirements of paragraph 12 of the Bid Procedures, provided however, that any offer submitted by such Qualified Bidder at or prior to the Auction shall comply with those requirements.

costs and expenses of such filings (including the Debtors' costs and expenses);

v. Be accompanied by a list of any executory contracts or unexpired leases that are to be assumed and/or assigned and/or specify whether the final assumption and assignment of such contracts and leases is subject to any "designation rights" period;

vi. State that the bidder will: (a) consummate and fund the proposed transaction by no later than the outside Closing Date set forth in the Sale Agreement (the "**Closing Deadline**"); and (b) in the event that the bidder is selected as a Backup Bidder, keep its offer to purchase the Assets open until 5:00 p.m. (Eastern Time) on the fifth (5th) business day following the date set for the closing of the sale to the Successful Bidder (the "**Backup Bid Closing Deadline**").

vii. To the extent not previously provided, state that the Qualified Bidder is financially capable of consummating the transactions contemplated by the Modified Agreement and any related transaction documents (the "**Sale**"), and include written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the Sale, that (a) provides for the Debtors as a third party beneficiary of such commitment for financing and (b) will allow the Debtors, in consultation with the Consultation Party, to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the Sale;

viii. Include current audited financial statements and latest unaudited financial statements of the Qualified Bidder or, if the Qualified Bidder is an entity formed for the purpose of acquiring the Assets, current audited financial statements and latest unaudited financial statements of the equity holders or sponsors of the Qualified Bidder who will guarantee the obligations of the Qualified Bidder, or such other form of financial disclosure and/or credit-quality support or enhancement, if any, that will allow the Debtors, in consultation with the Consultation Party, to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the Sale;

ix. Include an acknowledgement and representation that the Qualified Bidder: (a) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid; (b) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Assets or the completeness of any

information provided in connection therewith or the Auction other than as provided in the Modified Agreement and (c) is not entitled to any expense reimbursement, break-up fee or similar type of payment in connection with its bid;

x. Include evidence of the Qualified Bidder's ability to comply with section 365 of the Bankruptcy Code (to the extent applicable), including providing adequate assurance of such Qualified Bidder's ability to perform in the future the contracts and leases proposed in its bid to be assumed by the Debtors and assigned to the Qualified Bidder, in a form that will permit the immediate dissemination of such evidence to the counterparties to such contracts and leases;

xi. To the Debtors' satisfaction, fully disclose (a) the identity of each entity that will be bidding for the Assets or otherwise participating in connection with such bid, (b) the terms of any such participation, and (c) if an entity has been formed for the purpose of acquiring some, or all, of the Assets, the parties that will bear liability for any breach by such entity, and the financial capacity of such parties to satisfy such liability;

xii. State that the Written Offer is irrevocable until the later of (a) the closing of the transaction, if such Qualified Bidder is designated as a Successful Bidder and (b) the Backup Bidder Closing Deadline.

xiii. Must contain provisions allowing the Debtors' reasonable access to the Debtors' books and records for the administration of their bankruptcy cases if any agreement provides for the purchase of such books and records;

xiv. Not contain any due diligence or financing contingencies as determined by the Debtors in their reasonable discretion;

xv. In the Debtors' discretion, provide evidence of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the Modified Agreement to the Debtors' satisfaction;

xvi. All documentation submitted in support of the Written Offer must be submitted both in hard copy and electronically.

d. Bid Deadline. The deadline for submitting bids by a Qualified Bidder, other than the Stalking Horse Purchaser, shall be [_____], 2013, at 12:00 p.m. (Prevailing Eastern Time) (the "**Bid Deadline**"). A Bid received after the Bid Deadline shall not constitute a Qualified Bid.

e. Consideration of Offers. The Debtors, in consultation with the Consultation Party, may choose to either consider or disregard offers for an insubstantial portion of the Assets. Between the Bid Deadline and the Auction, the Debtors may negotiate with or seek clarification of any Written Offer or Qualified Bid. Each Qualified Bidder shall provide to the Debtors any information reasonably required by the Debtors (which the Debtors may share with the Committee) in connection with the evaluation of a Written Offer or Qualified Bid within two (2) business days after such request is made. Without the consent of the Debtors, a Qualified Bidder may not amend, modify or withdraw its Qualified Bid, except for proposed amendments to increase the amount or otherwise improve the terms of the Qualified Bid, during the period that such Qualified Bid is required to remain irrevocable and binding.

f. Determination of Qualified Bidder and Qualified Bids. No later than one (1) business day prior to the Auction, the Debtors, after consultation with the Consultation Party, shall determine in their business judgment, and shall notify each Potential Bidder whether (i) such Potential Bidder is a Qualified Bidder and (ii) such Potential Bidder's Written Offer is a Qualified Bid. Each Qualified Bidder and the Consultation Party will be given access to all Qualified Bids at such time. In evaluating any Qualified Bid or subsequent bid, the Debtors shall treat comparable credit bids and cash bids as equivalent and no credit bid shall be considered inferior to a comparable cash bid because it is a credit bid.

g. Auction. In the event that two or more Qualified Bids (including the Sale Agreement) are received, the Debtors shall conduct an Auction of the Assets. At least one (1) day in advance of the Auction, the Debtors will notify all Qualified Bidders of the highest or otherwise best Qualified Bid (the "**Opening Bid**"), as determined by the Debtors in consultation with the Consultation Party. Only a Qualified Bidder than submitted a Qualified Bid will be eligible to participate in the Auction. The Auction shall commence at 10:00 a.m. (**Prevailing Eastern Time**) on [_____], 2013, at the offices of Richards, Layton and Finger, P.A. located at 920 N. King Street, Wilmington, DE 19801 and continue thereafter until completed. Each Qualified Bidder participating in the Auction will be expected to confirm at the Auction that it has not engaged in any collusion regarding these Bid Procedures with any other Qualified Bidder, the Auction or any proposed transaction relating to the Assets or a portion thereof. The Auction will begin initially with the Opening Bid and shall proceed thereafter in minimum increments of at least $500,000, with the specific increments for each round of bidding to be announced on the record at the Auction. In the Debtors' discretion and upon consultation with the Consultation Party, all Qualified Bidders shall have the right to submit additional bids and make additional modifications to their purchase agreement or Modified Agreement, provided, however that such modifications, on an aggregate basis and viewed in whole, shall not be less

favorable to the Debtors, as determined by the Debtors, and in consultation with the Consultation Party. Upon conclusion of the bidding, the Auction shall be closed, and the Debtors shall, as soon as practicable thereafter, and after consultation with the Consultation Party, identify and determine in its reasonable business judgment the highest or otherwise best Qualified Bid for the Assets (the "**Successful Bid**") and require the Successful Bidder to deliver the Successful Purchase Agreement and to deposit with the Debtors the Successful Bidder Deposit within two (2) business days after conclusion of the Auction (provided that the Stalking Horse Purchaser shall not be required to provide the Successful Bidder Deposit if the Sale Agreement is the Successful Purchase Agreement).

h. Backup Bid. At the conclusion of the Auction, the Debtors will determine, after consultation with the Consultation Party, which Qualified Bid, if any, is the next highest or otherwise best Qualified Bid and designate such Qualified Bid as a "**Backup Bid**" in the event the Successful Bidder fails to consummate the contemplated transaction. A Qualified Bidder that submitted a Qualified Bid that is designated a Backup Bid is a "**Backup Bidder**." Upon a determination by the Debtors, after consultation with the Consultation Party, that the Successful Bidder is a Defaulting Buyer, the Debtors will be authorized, but not required, to consummate a sale transaction with the Backup Bidder on the terms and conditions of the Backup Bid (the "**Backup Purchase**") without further order of the Bankruptcy Court provided that the Bankruptcy Court approves such Backup Purchase at the Sale Hearing

i. Expense Reimbursement. Recognizing the Stalking Horse Purchaser's expenditure of time and resources, the Sale Agreement provides for certain bid protections, which are designed to compensate the Stalking Horse Purchaser for its efforts and agreement to date and to facilitate a full and fair process designed to maximize the value of the Purchased Assets. Specifically, the Debtors have determined that the Sale Agreement will further the goals of the Bidding Procedures by establishing a floor against which all other bids are evaluated. As a result, if the Sale Agreement is terminated pursuant to Sections 3.4(b) (d) (e) (g) (i) or (k), the Stalking Horse Purchaser shall be paid the Purchaser's Expense Reimbursement as defined in Section 7.1 of the Sale Agreement (the "**Expense Reimbursement**"). The Expense Reimbursement consists of the Stalking Horse Purchaser's reasonable and documented costs associated with the negotiation, execution, and delivery of the Sale Agreement and the transactions contemplated thereby and is subject to a cap of $3,000,000. The closing of any Alternative Transaction (as defined in the Sale Agreement) shall be contingent upon the payment of the Expense Reimbursement. (Sale Agreement, Section 7.1(a)).

j. Sale Hearing. The Sale Hearing shall be conducted by the Bankruptcy Court on or before [_____], 2013.

k. Modifications. The Debtors, with the prior written consent of the Replacement DIP Agents, may adopt and modify rules for the Auction at the Auction that, in the Debtors' reasonable judgment, in consultation with the Consultation Party, will better promote the goals of the Auction and that are not inconsistent with any of the provisions of the Bid Procedures Order, the Bankruptcy Code, or any order of the Bankruptcy Court. The Bid Procedures may not be modified except upon order of the Bankruptcy Court or the express written consent of the Debtors, the Committee, the Replacement DIP Agents and the Stalking Horse Purchaser. The deadlines set forth in the Bid Procedures may not be extended without the prior written consent of the Replacement DIP Agents.

24. The Debtors, with the consent of the Stalking Horse Purchaser, Replacement DIP Agents, and the Committee, expressly reserve the right to modify the relief requested herein. Moreover, the Debtors, with the consent of the Stalking Horse Purchaser, the Replacement DIP Agents, and the Committee, reserve the right, upon notice to all Notice Parties and those parties that have demonstrated an interest in bidding on the Purchased Assets, to: (a) waive terms and conditions set forth herein with respect to any or all potential bidders; (b) impose additional terms and conditions with respect to any or all potential bidders; (c) extend the deadlines set forth herein or the date for the Auction; (d) cancel or extend the sale of the Purchased Assets and/or Sale Hearing in open court without further notice; and (e) amend the Bid Procedures as they may determine to be in the best interests of their estates or to withdraw the Motion at any time with or without prejudice.

25. The BD/Spectrum Requisite Lenders have directed the First Lien Agents to assign, and the First Lien Agents have assigned, their credit bid rights to the Stalking Horse Purchaser.

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C. **Notice of Auction.**

26. The Debtors seek to have the Auction scheduled for a date no later than August 8, 2013.[15] The value of the Purchased Assets may decline substantially if the Sale process is not completed on an expedited basis. The Debtors' key customers and vendors may terminate their relationships with the Debtors, and potential bidders may lose confidence in the certainty of the Sale process and decide to stop pursuing the purchase of the Purchased Assets. As such, it is imperative to move forward with the Auction and the Sale promptly.

27. Not later than three (3) business days after the entry of the Bid Procedures Order, the Debtors will serve copies of the Sale Notice, substantially in the form attached to the Bid Procedures Order at Exhibit 2 (the "**Sale Notice**"), the Bid Procedures, and the Bid Procedures Order by mail, postage prepaid to: (a) all entities known to have expressed a *bona fide* interest in acquiring the Purchased Assets (by overnight mail); (b) counsel to the Stalking Horse Purchaser; (c) the Office of the United States Trustee for the District of Delaware; (d) known entities holding or asserting a security interest in or lien against any of the Purchased Assets; (e) taxing authorities whose rights may be affected by a sale of the Purchased Assets; (f) counsel to the Committee; (g) all Attorneys General for the states in which the Debtors conduct business; and (h) all parties that have requested notice pursuant to Bankruptcy Rule 2002 as of the date prior to the date of entry of the Bid Procedures Order.

28. The Debtors further request, pursuant to Bankruptcy Rule 9014, that objections, if any, to the proposed Sale: (a) be in writing; (b) comply with the Bankruptcy Rules and the Local Rules; (c) be filed with the Clerk of the United States Bankruptcy Court for the District of

[15] Section 8.1(aa) of the proposed replacement debtor-in-possession financing facility provides that an event of default will be triggered if (i) the Auction to determine the highest or otherwise best bid for all or substantially all of the Debtors' assets is not held by August 8, 2013 or (ii) the order of the Court authorizing the sale of all or substantially all of the Debtors' assets in accordance with the Successful Bid is not entered by the Court on or before August 16, 2013.

Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware, 19801; and (d) be served so as to be received by: (i) the Debtors; (ii) counsel to the Debtors; (iii) counsel to the Stalking Horse Purchaser (or the Successful Bidder, as applicable); (iv) the Office of the United States Trustee; (v) counsel to the Committee; and (vi) all parties listed on the Main Service List, the Supplemental Service List (Pensions) and the Supplemental Service List (Government Tax / Environmental Agencies) in the Canadian recognition proceeding (collectively, the "**Notice Parties**"). The Debtors further request that the Court set an appropriate deadline to file and serve any objections to the proposed Sale (the "**Sale Objection Deadline**").

29. Not later than ten (10) days after entry of the Bid Procedures Order, the Debtors will publish the Sale Notice in the national edition of *The Wall Street Journal or The New York Times*.

D. Procedures to Determine Cure Amounts and Deadlines for Objection to Assumption and Assignment of the Assumed and Assigned Agreements.

30. To facilitate and effect the Sale, the Debtors will be required to assume and/or assign the Assumed and Assigned Agreements, to the Stalking Horse Purchaser, or as applicable, to the Successful Bidder.

31. The Debtors seek to establish (a) procedures for determining cure amounts through the closing date of the Sale (the "**Cure Amounts**"), and (b) the deadlines for objections to the assumption and/or assignment of Contracts and Leases to be assumed and/or assigned in connection with the Sale (collectively, the "**Cure Procedures**").

32. The Debtors shall prepare and distribute to non-Debtor parties to all potential Assumed and Assigned Agreements a notice, substantially in the form annexed to the Bid Procedures Order at Exhibit 3 (a "**Cure Notice**"), listing (a) the potential Assumed and Assigned Agreement(s), and (b) the Cure Amount(s), if any, no later than five (5) business days before the

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Auction. Within three (3) business days of the Sale Hearing, the Debtors shall distribute to non-Debtor parties to all potential Assumed and Assigned Agreements evidence of the Stalking Horse Purchaser's (or Successful Bidder's, as applicable) ability to comply with section 365 of the Bankruptcy Code (to the extent applicable), including providing adequate assurance of the Stalking Horse Purchaser's ability to perform in the future the Assumed and Assigned Agreements.

33. To facilitate a prompt resolution of cure disputes and objections relating to the assumption and assignment of the Assumed and Assigned Agreements, the Debtors propose the following deadlines and procedures:

a. The non-Debtor parties to the Assumed and Assigned Agreements shall have until [_____], 2013 (the "**Contract Objection Deadline**"), which deadline may be extended in the sole discretion of the Debtors, to object (a "**Contract Objection**") to (i) the Cure Amounts listed by the Debtors and to propose alternative cure amounts, and/or (ii) the proposed assumption and/or assignment of the Assumed and Assigned Agreements in connection with the Sale; provided, however, if the Debtors amend the Cure Notice to add a contract or lease or to reduce the Cure Amount thereof, except where such reduction was upon mutual agreement of the parties, the non-Debtor parties to the added contract or lease or to the reduced Cure Amount contract or lease shall have until five (5) days after such amendment to submit a Contract Objection (the "**Amended Contract Objection Deadline**").

b. Any party objecting to (i) any Cure Amount, and/or (ii) the proposed assumption and assignment of any Assumed and Assigned Agreement in connection with the Sale, shall file and serve a Contract Objection, in writing, setting forth with specificity any and all cure obligations that the objecting party asserts must be cured or satisfied in respect of the Assumed and Assigned Agreements(s), as applicable, any and all objections to the potential assumption and/or assignment of such agreements, together with all documentation supporting such cure claim or objection, upon the Notice Parties, so that the Contract Objection is received no later than 4:00 p.m., on the Contract Objection Deadline or the Amended Contract Objection Deadline, as applicable. Where a non-Debtor counterparty to an Assumed and Assigned Agreement files an objection asserting a cure amount higher than the proposed Cure Amounts (the "**Disputed Cure Amount**"), then (a) to the extent that the parties are able to consensually resolve the Disputed Cure Amount prior to the Sale

Hearing, and subject to the consent of the Successful Bidder to such consensual resolution, the Debtors shall promptly provide the Notice Parties with notice and opportunity to object to such proposed resolution, (b) to the extent the parties are unable to consensually resolve the dispute prior to the Sale Hearing, then such objection will be heard at the Sale Hearing or thereafter, or (c) the Successful Bidder may remove the contract to which the Contract Objection relates from the schedule of contracts to be assumed and assigned.

c. In the event that the Stalking Horse Purchaser is not the Successful Bidder for the Purchased Assets, within [___] business days after the conclusion of the Auction for the Purchased Assets, the Debtors will serve a notice identifying the Successful Bidder to the non-debtor parties to the Assumed and Assigned Agreements that have been identified in the Bid of the Successful Bidder. The non-debtor parties to the Assumed and Assigned Agreements will have until [_____], 2013 (the "**Adequate Assurance Objection Deadline**") to object to the assumption, assignment, and/or transfer of such Assumed and Assigned Agreement solely on the issue of whether the Successful Bidder can provide adequate assurance of future performance as required by Section 365 of the Bankruptcy Code (an "**Adequate Assurance Objection**").

34. Unless an objection to the assumption and assignment of an Assumed and Assigned Agreement is filed and served before the Contract Objection Deadline, the Amended Contract Objection Deadline, or the Adequate Assurance Objection Deadline, as applicable, all counterparties to the Assumed and Assigned Agreements shall be (a) forever enjoined and barred from objecting to the proposed Cure Amounts and from asserting any additional cure or other amounts with respect to the Assumed and Assigned Agreements, and the Debtors, their estates, the Stalking Horse Purchaser, or the Successful Bidder shall be entitled to rely solely upon the proposed Cure Amounts set forth in the Cure Notices, (b) deemed to have consented to the Cure Amount, and (c) forever barred and estopped from asserting or claiming against the Debtors, the Stalking Horse Purchaser, or the Successful Bidder that any additional amounts are due or other defaults exist, that conditions to assignment must be satisfied under such Assumed and Assigned Agreements, or that there is any objection or defense to the assumption and assignment of such Assumed and Assigned Agreements.

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IV. RELIEF REQUESTED

35. By this Motion, the Debtors seek the for entry of two orders: (a) the Bid Procedures Order, (i) approving the Bid Procedures, including the bid protections as set forth in the Sale Agreement, (ii) scheduling the Sale Hearing, (iii) approving the form and manner of notice of the Auction, (iv) establishing procedures to determine cure amounts and deadlines for objections for the Assumed and Assigned Agreements, and (v) granting related relief; and (b) the Sale Order, (i) authorizing and approving the Sale Agreement, (ii) authorizing the Sale free and clear of liens, claims, encumbrances, and interests pursuant to the Sale Agreement, with such liens, claims, encumbrances, and interests to attach to the Sale Proceeds less the amount of cash necessary to fund (1) any professional fee carve-out in the First DIP Order and in the Replacement DIP Order,[16] and (2) the Wind Down Budget as contemplated in the Sale Agreement, (iii) authorizing the assumption and sale of the Assumed and Assigned Agreements (as defined herein), and (iv) granting related relief.

II. BASIS FOR RELIEF REQUESTED

A. The Sale Is Within the Sound Business Judgment of the Debtors and Should Be Approved.

36. Section 363(b)(1) of the Bankruptcy Code provides, in relevant part, that a debtor-in-possession, "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Section 363 of the Bankruptcy Code does not set forth a standard for determining when it is appropriate for a court to authorize the sale or disposition of a debtor's assets prior to confirmation of a plan. However, courts in this

[16] The "**Replacement DIP Order**" means the "Final Order Pursuant to 11 U.S.C §§ 105, 361, 362, 363(c), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e), 503(b) and 507(a), Fed. R. Bankr. P. 2002, 4001 and 9014 and Del. Bankr. L.R. 4001-2: (i) Authorizing Debtors to (A) Obtain Postpetition Secured Replacement DIP Financing and (b) Use Cash Collateral; (ii) Granting Superpriority Liens and Providing for Superpriority Administrative Expense Status; (iii) Granting Adequate Protection To Prepetition Secured Lenders; (iv) Modifying Automatic Stay; and (v) Scheduling a Final Hearing Pursuant to Bankruptcy Rules 4001(b) and (c)" submitted concurrently with this Motion..

Circuit and others have required that the decision to sell assets outside the ordinary course of business be based upon the sound business judgment of the debtors. *See In re Abbotts Dairies of Pennsylvania, Inc.*, 788 F.2d 143 (3d Cir. 1986); *see also Myers v. Martin (In re Martin)*, 91 F.3d 389, 395 (3d Cir. 1996); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1071 (2d Cir. 1983); *Dai-Ichi Kangyo Bank, Ltd v. Montgomery Ward Holding Corp., (In re Montgomery Ward Holding Corp.)*, 242 B.R. 147, 153 (D. Del. 1999); *In re Delaware & Hudson Ry. Co.*, 124 B.R. 169, 176 (D.D.C. 1991).

37. The "sound business judgment" test requires a debtor to establish four elements in order to justify the sale or lease of property outside the ordinary course of business, namely, (a) that a "sound business purpose" justifies the sale of assets outside the ordinary course of business, (b) that adequate and reasonable notice has been provided to interested persons, (c) that the debtors have obtained a fair and reasonable price, and (d) good faith. *Abbotts Dairies*, 788 F.2d 143; *Titusville Country Club v. Pennbank (In re Titusville Country Club)*, 128 B.R. 396, 399 (Bankr. W.D. Pa. 1991); *In re Sovereign Estates, Ltd*, 104 B.R. 702, 704 (Bankr. E.D. Pa. 1989). The Debtors submit that the decision to proceed with the Sale and the Bid Procedures related thereto is based upon their sound business judgment and should be approved. A debtor's showing of a sound business purpose need not be unduly exhaustive but, rather, a debtor is "simply required to justify the proposed disposition with sound business reasons." *In re Baldwin United Corp.*, 43 B.R. 888, 906 (Bankr. S.D. Ohio 1984). Whether or not there are sufficient business reasons to justify a transaction depends upon the facts and circumstances of each case. *Lionel*, 722 F.2d at 1071; *Montgomery Ward*, 242 B.R. at 155 (approving funding of employee incentive and severance program; business purpose requirement fulfilled because stabilizing turnover rate and increasing morale were necessary to successful reorganization).

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38. Additionally, Section 105(a) of the Bankruptcy Code provides a bankruptcy court with broad powers in the administration of a case under the Bankruptcy Code. Section 105(a) provides that "[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a). Provided that a bankruptcy court does not employ its equitable powers to achieve a result not contemplated by the Bankruptcy Code, the exercise of its Section 105(a) power is proper. *In re Fesco Plastics Corp.*, 996 F.2d 152, 154 (7th Cir. 1993); *Pincus v. Graduate Loan Ctr. (In re Pincus)*, 280 B.R. 303, 312 (Bankr. S.D.N.Y. 2002). Pursuant to Section 105(a), a court may fashion an order or decree that helps preserve or protect the value of a debtor's assets. *See, e.g., Chinichian v. Campolongo (In re Chinichian)*, 784 F.2d 1440, 1443 (9th Cir. 1986) ("Section 105 sets out the power of the bankruptcy court to fashion orders as necessary pursuant to the purposes of the Bankruptcy Code."); *In re Cooper Props. Liquidating Trust, Inc.*, 61 B.R. 531, 537 (Bankr. W.D. Tenn. 1986) (noting that bankruptcy court is "one of equity and as such it has a duty to protect whatever equities a debtor may have in property for the benefit of its creditors as long as that protection is implemented in a manner consistent with the bankruptcy laws.").

39. The Debtors submit that sound business justification exists to sell the Purchased Assets to the Stalking Horse Purchaser (or the Successful Bidder, as applicable) pursuant to the Bid Procedures and the Sale Order. Absent a sale of their assets, the Debtors lack sufficient cash resources to continue to operate the business and pay their debts as they are due, and the value of the Purchased Assets will continue to decline absent a prompt sale. Thus, the relief sought herein is not only reasonable, but necessary, to maximize the value of the Debtors' estates for the benefit of their stakeholders.

40. The notice of Auction is designed to provide adequate notice to all potentially interested parties, including those who have previously expressed an interest in purchasing the Purchased Assets. Indeed, the Debtors have and, upon approval of the Bid Procedures, will continue to market the Purchased Assets and will solicit the most likely interested competing bidders with the assistance of Rothschild, the Debtors' investment banker. Accordingly, the proposed Sale satisfies the second prong of the *Abbotts Dairies* standard.

41. As discussed below, the Bid Procedures are designed to maximize the value received for the Purchased Assets, satisfying the third prong of the *Abbotts Dairies* standard. The "good faith" prong of the *Abbotts Dairies* standard is also satisfied as discussed further below.

B. <u>The Bid Procedures and Expense Reimbursement Are Appropriate.</u>

42. The process set forth in the Bid Procedures allows for a timely and efficient auction process given the circumstances facing the Debtors, while providing bidders with ample time and information to submit a timely bid and perform diligence. The Bid Procedures are designed to ensure that the Purchased Assets will be sold for the highest or otherwise best possible purchase price. The Debtors have subjected, and will continue to subject, the Purchased Assets to market testing and are permitting prospective purchasers to bid on the Purchased Assets. The proposed Sale will be further subject to a market check through the solicitation of competing bids in a court-supervised Auction process as set forth in the Bid Procedures.

43. Further, the Expense Reimbursement is reasonable and necessary. Section 7.1(a) of the Sale Agreement provides for the approval and payment of the Stalking Horse Purchaser's reasonable Transaction Costs (as defined in the Sale Agreement) incurred in connection with the Sale or negotiations regarding the Sale Agreement if the Sale Agreement is terminated under certain circumstances, including the closing of an Alternative Transaction (as defined in the Sale

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Agreement). Further, the Bid Procedures Order must provide that payment of the Expense Reimbursement shall be a condition to closing of any Alternative Transaetion. Notably, the Sale Agreement provides solely for reimbursement of the Stalking Horse Purchaser's Transaction Costs (capped at $3 million); there is no "break-up" or similar fee.

44. Historically, bankruptcy courts have approved bidding incentives, including expense reimbursements to an initial bidder or "stalking horse," in the event of a successful overbid based on the business judgment of the debtor. *See, e.g., In re 995 Fifth Ave. Assocs., L.P.*, 96 B.R. 24, 28 (Bankr. S.D.N.Y. 1992) (bidding incentives may "be legitimately necessary to convince a white knight to enter the bidding by providing some form of compensation for the risks it is undertaking"); *In re Integrated Resources, Inc.*, 147 B.R. 650, 656 (Bankr. S.D.N.Y. 1992) (noting that "the business judgment of the Debtor is the standard applied under the law in this district" and applying the standard to a break-up fee).

45. The Third Circuit Court of Appeals has also addressed the appropriate standard for determining whether proposed bidding incentives in the bankruptcy context are appropriate. In *In re O'Brien Environmental. Energy, Inc.*, 181 F.3d 527 (3d Cir. 1999), the Court of Appeals held that even though bidding incentives are measured against a business judgment standard in nonbankruptcy transactions, the administrative expense provisions of section 503(b) of the Bankruptcy Code govern bidding incentives in the bankruptcy context. Finding no "compelling justification" for treating an application for break-up fees and expenses under section 503(b) any differently from other applications for administrative expenses, the Court concluded that "the determination whether break-up fees or expenses are allowable under § 503(b) must be made in reference to general administrative expense jurisprudence. In other words, the allowability of break-up fees, like that of other administrative expenses, depends upon the requesting party's

ability to show that the fees were actually necessary to preserve the value of the estate." *Id.* at 535.

46. In *O'Brien*, the Third Circuit identified at least two circumstances in which bidding incentives may provide actual benefit to the estate, justifying administrative expense status. First, there exists an actual benefit to the estate where "assurance of a break-up fee promoted more competitive bidding, such as by inducing a bid that otherwise would not have been made and without which bidding would have been limited." *Id.* at 537. Second, where the availability of bidding incentives induces a prospective buyer to research the value of the debtor and submit a bid that serves as a minimum bid on which other bidders can rely, the initial "bidder may have provided a benefit to the estate by increasing the likelihood that the price at which the Debtors is sold will reflect its true worth." *Id.* Both of those circumstances exist in this case. The Expense Reimbursement was critical in persuading the Stalking Horse Purchaser to make an initial offer, which will serve as a "floor" for other bidders in connection with the Sale. Further, the Expense Reimbursement was critical in persuading the Stalking Horse Purchaser to expend the time and resources associated with conducting due diligence regarding the Sale and with negotiating and entering into the Sale Agreement. Moreover, the Stalking Horse Purchaser is not seeking a "break-up fee," but only its "reasonable and documented, out-of-pocket costs, expenses, disbursements and charges" related to the Sale or the Sale Agreement, and the Expense Reimbursement is subject to a cap of $3,000,000. Sale Agreement § 7.1(a). Given the benefit provided to the Debtors' estates by the Stalking Horse Purchaser and the minimal protection of seeking only its reasonable costs and fees, the Debtors submit that under the "administrative expense" standard enunciated in *O'Brien*, the Expense Reimbursement

should be approved as fair and reasonable, and any Alternative Transaction should be conditioned on payment of the Expense Reimbursement.

47. Accordingly, the Bid Procedures should be approved as set forth in the Bid Procedures Order.

C. <u>The Sale is Proposed in "Good Faith."</u>

48. The Debtors request that the Court find that the Stalking Horse Purchaser (or the Successful Bidder, as applicable) is entitled to the benefits and protections provided by Section 363(m) of the Bankruptcy Code in connection with the Sale.

49. Section 363(m) of the Bankruptcy Code provides, in pertinent part:

> The reversal or modification on appeal of an authorization under subsection (b) . . . of this section of a sale . . . of property does not affect the validity of a sale . . . under such authorization to an entity that purchased . . . such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale . . . were stayed pending appeal.

11 U.S.C. § 363(m).

50. Section 363(m) of the Bankruptcy Code thus protects the purchaser of assets sold pursuant to Section 363 of the Bankruptcy Code from the risk that it will lose its interest in the purchased assets if the order allowing the sale is reversed on appeal. By its terms, Section 363(m) of the Bankruptcy Code applies to sales of interests in tangible assets, such as the Purchased Assets.

51. The Debtors submit, and will present evidence at the Sale Hearing, if necessary, that as set forth above, the Sale Agreement was an arm's-length transaction, in which the Stalking Horse Purchaser (or the Successful Bidder, as applicable) acted in good faith. The Auction is an open sale process, and the Debtors will have their own separate legal counsel to negotiate on their behalf throughout the Auction and the Sale. Accordingly, the Debtors request

that the Court make the finding at the Sale Hearing that the Stalking Horse Purchaser (or the Successful Bidder, as applicable) has purchased the Purchased Assets in good faith within the meaning of Section 363(m) of the Bankruptcy Code.

D. <u>The Sale Satisfies the Requirements of Section 363(f) of the Bankruptcy Code.</u>

52. Under Section 363(f) of the Bankruptcy Code, a debtor-in-possession may sell all or any part of its property free and clear of any and all liens, claims, or interests in such property if: (a) such a sale is permitted under applicable non-bankruptcy law; (b) the party asserting such a lien, claim, or interest consents to such sale; (c) the interest is a lien and the purchase price for the property is greater than the aggregate amount of all liens on the property; (d) the interest is the subject of a *bona fide* dispute; or (e) the party asserting the lien, claim, or interest could be compelled, in a legal or equitable proceeding, to accept a money satisfaction for such interest. 11 U.S.C. § 363(f); *Citicorp Homeowners Serv., Inc. v. Elliot (In re Elliot)*, 94 B.R. 343, 345 (E.D. Pa. 1988) (noting that Section 363(f) of the Bankruptcy Code is written in the disjunctive; therefore, a court may approve a sale "free and clear" provided at least one of the subsections is met).

53. The BD/Spectrum Requisite Lenders have consented to the Bid Procedures and the Sale Agreement in the forms attached hereto. Moreover, the Second Lien Lenders in these Cases are deemed to have consented to the Sale by virtue of the consent of the BD/Spectrum Requisite Lenders under the First Lien Facility, pursuant to section 3.1(b) of the Intercreditor Agreement. As a result, the Debtors have satisfied, at minimum, the second requirements of Section 363(f) of the Bankruptcy Code, if not others as well. Therefore, approving the sale of the Purchased Assets free and clear of all adverse interests is warranted. Furthermore, courts have held that they have the equitable power to authorize sales free and clear of interests that are not specifically covered by Section 363(f). *See, e.g., In re Trans World Airlines, Inc.*, 2001 WL

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1820325 at *3, 6 (Bankr. D. Del. March 27, 2001); *Volvo White Truck Corp. v. Chambersburg Beverage, Inc. (In re White Motor Credit Corp.)*, 75 B.R. 944, 948 (Bankr. N.D. Ohio 1987). As a result, the Purchased Assets may be sold free and clear of prepetition liens.

E. The Cure Procedures Provide Adequate Notice and Opportunity to Object and Should Be Approved.

54. Section 365(a) of the Bankruptcy Code provides, in pertinent part, that a debtor-in-possession "subject to the court's approval, may assume or reject any executory contract or [unexpired] lease of the debtor." 11 U.S.C. § 365(a). The standard governing bankruptcy court approval of a debtor's decision to assume or reject an executory contract or unexpired lease is whether the debtor's reasonable business judgment supports assumption or rejection. *See, e.g., In re Stable Mews Assoc., Inc.*, 41 B.R. 594, 596 (Bankr. S.D.N.Y. 1984). If the debtor's business judgment has been reasonably exercised, a court should approve the assumption or rejection of an unexpired lease or executory contract. *See Group of Institutional Investors v. Chicago M St. P. & P.R.R. Co.*, 318 U.S. 523 (1943); *Sharon Steel Corp.*, 872 F.2d 36, 39-40 (3d Cir. 1989). The business judgment test "requires only that the trustee [or debtor-in-possession] demonstrate that [assumption or] rejection of the contract will benefit the estate." *Wheeling-Pittsburgh Steel Corp. v. West Penn Power Co. (In re Wheeling-Pittsburgh Steel Corp.)*, 72 B.R. 845, 846 (Bankr. W.D. Pa. 1987) (quoting *Stable Mews Assoc.*, 41 B.R. at 596). Any more exacting scrutiny would slow the administration of a debtor's estate and increase costs, interfere with the Bankruptcy Code's provision for private control of administration of the estate, and threaten the court's ability to control a case impartially. *See Richmond Leasing Co. v. Capital Bank, NA.*, 762 F.2d 1303, 1311 (5th Cir. 1985). Moreover, pursuant to Section 365(b)(1) of the Bankruptcy Code, for a debtor to assume an executory contract, it must "cure, or provide

adequate assurance that the debtor will promptly cure," any default, including compensation for any "actual pecuniary loss" relating to such default. 11 U.S.C. § 365(b)(1).

55. Once an executory contract is assumed, the trustee or debtor-in-possession may elect to assign such contract. *See In re Rickel Home Centers, Inc.*, 209 F.3d 291, 299 (3d Cir. 2000) ("[t]he Code generally favors free assignability as a means to maximize the value of the debtor's estate"); *see also In re Headquarters Dodge, Inc.*, 13 F.3d 674, 682 (3d Cir. 1994) (noting purpose of Section 365(f) is to assist the trustee in realizing the full value of the debtor's assets).

56. Section 365(f) of the Bankruptcy Code provides that the "trustee may assign an executory contract . . . only if the trustee assumes such contract . . . and adequate assurance of future performance is provided." 11 U.S.C. § 365(f)(2). The meaning of "adequate assurance of future performance" depends on the facts and circumstances of each case, but should be given "practical, pragmatic construction." *See Carlisle Homes, Inc. v. Arrari (In re Carlisle Homes, Inc.)*, 103 B.R. 524, 538 (Bankr. D.N.J. 1989); *see also In re Natco Indus., Inc.*, 54 B.R. 436, 440 (Bankr. S.D.N.Y. 1985) (adequate assurance of future performance does not mean absolute assurance that debtor will thrive and pay rent). Among other things, adequate assurance may be given by demonstrating the assignee's financial health and experience in managing the type of enterprise or property assigned. *Accord In re Bygaph, Inc.*, 56 B.R. 596, 605-06 (Bankr. S.D.N.Y. 1986) (adequate assurance of future performance is present when prospective assignee of lease from debtors has financial resources and has expressed willingness to devote sufficient funding to business in order to give it strong likelihood of succeeding).

57. Additionally, as set forth above, Section 105(a) of the Bankruptcy Code provides a bankruptcy court with broad powers in the administration of a case under Title 11. Provided

that a bankruptcy court does not employ its equitable powers to achieve a result not contemplated by the Bankruptcy Code, the exercise of its Section 105(a) power is proper. *See In re Fesco Plastics Corp.*, 996 F.2d 152, 154 (7th Cir. 1993); *Pincus v. Graduate Loan Ctr. (In re Pincus)*, 280 B.R. 303, 312 (Bankr. S.D.N.Y. 2002). Accordingly, pursuant to Section 105(a), a court may fashion an order or decree that helps preserve or protect the value of a debtor's assets. *See, e.g., In re Chinichian*, 784 F.2d 1440, 1443 (9th Cir. 1986) ("Section 105 sets out the power of the bankruptcy court to fashion orders as necessary pursuant to the purposes of the Bankruptcy Code"); *In re Cooper Props. Liquidating Trust, Inc.*, 61 B.R. 531, 537 (Bankr. W.D. Tenn. 1986) (noting that bankruptcy court is "one of equity and as such it has a duty to protect whatever equities a debtor may have in property for the benefit of their creditors as long as that protection is implemented in a manner consistent with the bankruptcy laws").

58. The Debtors respectfully submit that the proposed Cure Procedures are appropriate and reasonably tailored to provide non-Debtor parties to Assumed and Assigned Agreements with adequate notice, in the form of the Cure Notice, of the proposed assumption and/or assignment of their applicable contract, as well as proposed Cure Amounts, if applicable. Such non-Debtor parties to the Assumed and Assigned Agreements will then be given an opportunity to object to such notice. Accordingly, the Debtors submit that implementation of the proposed Cure Procedures is appropriate in these Cases.

F. Relief from the Fourteen Day Waiting Periods Under Bankruptcy Rules 6004(h) and 6006(d) Is Appropriate.

59. Bankruptcy Rule 6004(h) provides that an "order authorizing the use, sale, or lease of property . . . is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise." Bankruptcy Rule 6006(d) provides that an "order authorizing the trustee to assign an executory contract or unexpired lease under § 365(f) is stayed until the expiration of

fourteen 14 days after entry of the order, unless the court orders otherwise." The Debtors request that the Sale Order be effective immediately by providing that the fourteen-day stay under Bankruptcy Rules 6004(h) and 6006(d) is waived.

60. The purpose of Bankruptcy Rule 6004(h) is to provide sufficient time for an objecting party to appeal before an order can be implemented. *See* Advisory Committee Notes to Fed. R. Bankr. P. 6004(h). Although Bankruptcy Rules 6004(h) and the Advisory Committee Notes are silent as to when a court should "order otherwise" and eliminate or reduce the fourteen-day stay period, Collier on Bankruptcy suggests that the fourteen-day stay period should be eliminated to allow a sale or other transaction to close immediately "where there has been no objection to the procedure." 10 Collier on Bankruptcy 15th Ed. Rev., ¶6064.09 (L. King, 15th rev. ed. 1988). Furthermore, Collier's provides that if an objection is filed and overruled, and the objecting party informs the court of its intent to appeal, the stay may be reduced to the amount of time actually necessary to file such appeal. *Id.*

61. As described above, time is clearly of the essence, since the Debtors have insufficient cash to operate the business on a prolonged basis, and the continuing over-all market uncertainty and volatility are causing a decline of the value of the Debtors' estates. Since a prompt closing of the Sale is of critical importance, the Debtors hereby request that the Court waive the fourteen-day stay period under Bankruptcy Rules 6004(h).

III. NO PRIOR REQUEST

62. No prior Motion for the relief requested herein has been made to this or any other court.

IV. NOTICE

63. Notice of this Motion has been given to the following parties (if known), or, in lieu thereof, to their counsel, if known: (a) the Office of the United States Trustee for the District

of Delaware; (b) counsel to the Committee; (c) counsel to the Stalking Horse Purchaser; (d) all taxing authorities having jurisdiction over any of the Purchased Assets subject to the sale, including the Internal Revenue Service; (e) the state/local environmental agencies in the jurisdictions where the Debtors own or lease real property; (g) all parties that have requested special notice pursuant to Bankruptcy Rule 2002 as of the date prior to the date of the filing of this Motion; (h) all persons or entities known to the Debtors that have or have asserted a lien on, or security interest in, all or any portion of the Purchased Assets; (i) all Attorneys General for the states in which the Debtors conduct business; (j) all potential bidders previously identified or otherwise known to the Debtors; and (k) all parties listed on the Main Service List, the Supplemental Service List (Pensions) and the Supplemental Service List (Government Tax / Environmental Agencies) in the Canadian recognition proceeding. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

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WHEREFORE, the Debtors respectfully request (i) entry of the proposed Bid Procedures Order, substantially in the form attached hereto as **Exhibit A**; (ii) entry of the proposed Sale Order, substantially in the form attached hereto as **Exhibit B**; and (iii) such other and further relief as the Court deems just and proper.

Dated: May 17, 2013
Wilmington, Delaware

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Counsel for Debtors

TAB B

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This is Exhibit "B" referred to in the Affidavit of Ava Kim, sworn May 28, 2013

Commissioner for Taking Affidavits (or as may be)

TANYA ROCCA

ASSET PURCHASE AGREEMENT

by and among

NEW ALLIED ACQUISITION CO. LLC

as Purchaser,

and

ALLIED SYSTEMS HOLDINGS, INC.

and

**THE SUBSIDIARIES OF ALLIED SYSTEMS HOLDINGS, INC.
SET FORTH ON THE SIGNATURE PAGES HERETO,**

as Sellers

DATED AS OF MAY 17, 2013

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EXHIBITS

SCHEDULES

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT (this "Agreement"), dated as of May 17, 2013 (the "Execution Date"), by and among Allied Systems Holdings, Inc., a Delaware corporation ("Allied"), the subsidiaries of Allied set forth on the signature pages hereto and also on Schedule 1 (collectively with Allied, "Sellers" and each, a "Seller") and New Allied Acquisition Co. LLC, a Delaware limited liability company (the "Purchaser"). Certain capitalized terms used herein are defined in Article X.

RECITALS

WHEREAS, Sellers currently conduct the Business and the Purchaser desires to purchase the Business;

WHEREAS, each Seller is (a) a debtor and debtor in possession in those certain bankruptcy cases under chapter 11 of title 11 of the United States Code, 11 U.S.C. § 101 *et seq.* (the "Bankruptcy Code") filed on May 17, 2012 in the United States Bankruptcy Court for the District of Delaware (the "U.S. Bankruptcy Court"), as jointly administered under Case No. 12-11564 (CSS) (collectively, the "Chapter 11 Case"), and (b) a debtor in those certain cases under Part IV of the *Companies' Creditors Arrangement Act* (the "CCAA") filed on June 12, 2012 in the Ontario Superior Court of Justice (the "Canadian Court", and together with the U.S. Bankruptcy Court, the "Bankruptcy Courts"), as administered under Court File No. 12-CV-9757-00CL (the "CCAA Case", and together with the Chapter 11 Case, the "Bankruptcy Cases");

WHEREAS, Sellers acknowledge that it is integral to the process of arranging an orderly sale of the Purchased Assets (as defined herein) to proceed by selecting the Purchaser as the "stalking horse" bidder, subject to (i) the Bankruptcy Courts' approval and/or recognition and (ii) any higher or better offers that may be obtained by Sellers for all of the Purchased Assets owned by Sellers. Sellers acknowledge that the contributions of the Purchaser to the process have provided substantial benefit to the estate of Sellers and that the Purchaser would not have invested the effort in negotiating and documenting the transaction provided for herein and incurring obligations to pay its outside advisers if the Purchaser were not entitled, subject to the terms of this Agreement, to Purchaser's Expense Reimbursement (as defined herein). Sellers acknowledge that Purchaser's agreement to act as the "stalking horse" bidder has conferred a direct and substantial benefit on Sellers' estates and Sellers' submit that it is therefore warranted that the Purchaser's Expense Reimbursement, if required to be paid pursuant to this Agreement, constitute super-priority administrative expenses of Sellers under Sections 503(b) and 507 of the Bankruptcy Code, and that the foregoing be approved by the Bidding Procedures Order (as defined herein); and

WHEREAS, in connection with the Bankruptcy Cases and subject to the terms and conditions contained herein and following the entry of the Sale Orders confirming the Purchaser as the winning bidder and subject to the terms and conditions thereof, Sellers shall sell, transfer and assign to the Purchaser, and the Purchaser shall purchase and acquire from Sellers, the Purchased Assets, and assume from Sellers the Assumed Liabilities all as more specifically provided herein and in the Sale Orders.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Purchaser and Sellers hereby agree as follows:

ARTICLE I.

PURCHASE AND SALE OF ASSETS; ASSUMPTION OF LIABILITIES

1.1 Purchase and Sale of Assets. Pursuant to Sections 105, 363 and 365 of the Bankruptcy Code and on the terms and subject to the conditions set forth in this Agreement and the Sale Orders, the Purchaser shall purchase, acquire and accept from each Seller, and each Seller shall sell, transfer, assign, convey and deliver to the Purchaser, on the Closing Date all of such Seller's right, title and interest in, to and under, free and clear of all Encumbrances (other than Permitted Encumbrances) and Liabilities (other than Assumed Liabilities), all of the assets, properties and rights of any nature, tangible and intangible, real or personal, wherever located, of such Seller related to or used, or held for use, in connection with the operation of the Business, now existing or hereafter acquired prior to the Closing Date, whether or not reflected on the books or financial statements of such Seller as the same shall exist on the Closing Date including, without limitation, the following such assets, properties and rights (but in all cases excluding the Excluded Assets) (collectively, the "Purchased Assets"):

(a) (i) all Contracts with customers of Sellers, and all rights pursuant thereto, entered into on or prior to the Execution Date by any Seller including, without limitation, the Material Contracts set forth on part (i) to Section 4.8(a) of the Seller Disclosure Schedule, (ii) any other Contract with a customer of any Seller entered into in the Ordinary Course of Business between the Execution Date and the Closing Date that, if entered into by Sellers on or prior to the Execution Date, would not be a Material Contract, (iii) any other Contract with customers of Sellers entered into between the Execution Date and the Closing Date that, if entered into by Sellers on or prior to the Execution Date, would be a Material Contract provided that the execution thereof has been approved by the Purchaser in writing, and (iv) any other Contract with a customer of any Seller added to the list of Assumed Customer Contracts in accordance with Section 1.5 (collectively, the "Assumed Customer Contracts");

(b) all Accounts Receivable;

(c) all Cash and Cash Equivalents, whether on hand, in transit or in banks or other financial institutions, security entitlements, securities accounts, commodity contracts and commodity accounts and including all of Sellers' rights to the return of any cash collateral that is collateralizing any letters of credit or other obligation assumed by the Purchaser, but excluding any cash tendered as part of the Purchase Price and any cash funded into the Wind Down Budget by the Purchaser; *provided, however*, that all unused portions of the Wind Down Budget shall be returned to the Purchaser and considered part of the Purchased Assets;

(d) all Documents used in or relating to the Business or in respect of the Purchased Assets or Assumed Liabilities, including but not limited to, the Acquired Customers,

products, services, marketing, advertising and promotional activities, trade shows and all files, supplier lists, vendor lists, records, literature and correspondence as reasonably available;

(e) (i) all Contracts with suppliers and vendors, and all rights pursuant thereto, entered into on or prior to the Execution Date by any Sellers including, without limitation, the Material Contracts set forth on parts (ii) through (iv) to Section 4.8(a) of the Seller Disclosure Schedule, (ii) any other Contract with a supplier or vendor of any Seller entered into in the Ordinary Course of Business between the Execution Date and the Closing Date that, if entered into by Sellers on or prior to the Execution Date, would not be a Material Contract, (iii) any other contract with suppliers or vendors of Sellers entered into between the Execution Date and the Closing Date that, if entered into by Sellers on or prior to the Execution Date, would be a Material Contract provided that the execution thereof has been approved by the Purchaser in writing, and (iv) any other Contract with a supplier or vendor of any Seller added to the list of Assumed Vendor Contracts in accordance with Section 1.5, in each case to the extent such Contracts may be assumed and assigned under Section 365 of the Bankruptcy Code (collectively, the "Assumed Vendor Contracts");

(f) all deposits and prepaid expenses of Sellers related to the Purchased Assets or Assumed Liabilities, including but not limited to (i) security deposits with third party suppliers, vendors or service providers, ad valorem taxes and lease and rental payments, (ii) rebates, (iii) tenant reimbursements, (iv) pre-payments, and (v) unearned insurance premiums, in each case other than in connection with any Excluded Assets or Excluded Liabilities;

(g) all Equipment owned by Sellers;

(h) all leases and subleases for personal property to which any Seller is a party and used or held for use in the operation of the Business (the "Personal Property Leases") and all of the rights of any and all Sellers to such personal property, including without limitation, those items (including Equipment, if any) leased pursuant to the Personal Property Leases set forth on Section 4.8(a)(xi) of the Seller Disclosure Schedule, and any other leases and subleases added to the list of Assumed Personal Property Leases in accordance with Section 1.5 (collectively, the "Assumed Personal Property Leases");

(i) the names "Allied" and "Allied Systems", the names of all of the other Sellers and, in all cases, any derivations thereof (the "Purchased Names");

(j) all Owned Real Property set forth on Section 4.12(a) of the Seller Disclosure Schedule (other than the Excluded Owned Real Property) and all leases and subleases for the Leased Real Property set forth on Section 1.1(j) of the Seller Disclosure Schedule and all of Sellers' right, title and interest in and thereto, and any other leases and subleases added to the list of Assumed Real Property Leases in accordance with Section 1.5 (such leases and subleases, collectively, the "Assumed Real Property Leases" and the underlying Leased Real Property, the "Assumed Leased Real Property");

(k) all Contracts between Sellers and any independent contractors who are not employees of Sellers but who have been retained to and who render services (i) on behalf of Sellers or (ii) on behalf of third parties where Sellers act as intermediaries or brokers, including,

in each case, Contracts with (x) owner-operators, (y) independent sales agents and (z) qualified third-party carriers, and any other Contract added to the list of Assumed Independent Contractor Contracts in accordance with Section 1.5 (collectively, the "Assumed Independent Contractor Contracts");

(l) to the extent transferable under applicable Laws, all Permits and all pending applications therefor, including, without limitation, the Material Permits;

(m) all rights under non-disclosure or confidentiality, non-compete, or non-solicitation agreements with Employees and agents or with third parties, including without limitation, the Acquired Customers;

(n) to the extent the assignment or transfer thereof is not prohibited by applicable Law, all rights, claims, credits, causes of action or rights of set off with respect to third parties relating to the Purchased Assets (including, for the avoidance of doubt, those arising under, or otherwise relating, to the Assigned Contracts) or Assumed Liabilities, including rights under vendors' and manufacturers' warranties, indemnities, guaranties and, solely to the extent against vendors, suppliers, customers or other contract counterparties of Sellers that are counterparties to the Assigned Contracts or otherwise set forth on Section 1.1(n) of the Seller Disclosure Schedule, avoidance claims and causes of action under the Bankruptcy Code or applicable state Law, including, without limitation, all rights and avoidance claims of Sellers arising under Chapter 5 of the Bankruptcy Code;

(o) any counterclaims, setoffs or defenses that any Seller may have with respect to any Assumed Liabilities;

(p) to the extent assignable or transferable in accordance with the terms and conditions of the applicable insurance policies, applicable Law or the Sale Orders, (i) all of Sellers' insurance policies related to the Business, the Purchased Assets or the Assumed Liabilities and rights and benefits thereunder (including, without limitation, (A) all rights pursuant to and proceeds from such insurance policies and (B) all claims, demands, proceedings and causes of action asserted by any Seller under such insurance policies relating directly to any Purchased Asset or Assumed Liability) and (ii) any letters of credit related thereto;

(q) copies of all Tax Returns or Tax Records of Sellers related to any Purchased Assets;

(r) to the extent the assignment or transfer thereof is not prohibited by applicable Law, any claim, right or interest of any Seller in or to any refund, rebate, abatement or other recovery for Taxes, together with any interest due thereon or penalty rebate arising therefrom, for any Tax Period (or portion thereof) ending on or before the Closing Date;

(s) (i) all of Sellers' right, title and interest in and to the Seller Intellectual Property (collectively, the "Assumed Intellectual Property") and (ii) all Contracts pursuant to which any Seller is granted a license to, or any rights under, any Intellectual Property of any third Person and all Contracts pursuant to which any Seller grants to a third Person a license to, or any rights under, any Seller Intellectual Property, and any other Contract added to the list of

Assumed Intellectual Property Licenses in accordance with Section 1.5 (the "Assumed Intellectual Property Licenses");

(t) all goodwill and other intangible assets associated with the Business or the Purchased Assets;

(u) all of the shares of capital stock or other equity interests of the Foreign Subsidiaries (other than any Seller) owned by any Seller set forth on Section 1.1(u) of the Seller Disclosure Schedule (the "Foreign Subsidiary Stock");

(v) all personnel files for Transferred Employees, except to the extent that any transfer or assignment is prohibited by applicable Law;

(w) all Documents (whether copies or originals) relating to formation, qualifications to conduct business as a foreign corporation or other legal entity, arrangements with registered agents relating to foreign qualifications, Taxpayer and other identification numbers, seals, minute books, stock transfer books, stock ledgers, stock certificates, by-laws and other documents relating to the organization and existence of any Foreign Subsidiary as a corporation or other legal entity, as applicable (together with analogous documentation);

(x) all Inventory used or held for use in the operation of the Business;

(y) that certain Retention Plan set forth as Exhibit A to the U.S. Bankruptcy Court's Order Granting Motion Pursuant to 11 U.S.C. §§ 363(b)(1) and 503(c)(3) Seeking an Order Authorizing the Debtors to Implement Key Employee Retention Plan, entered on September 28, 2012 [Docket No. 482], the Notices of Participation described therein, and any agreements and rights related thereto (collectively, the "Assumed Retention Incentive Agreements") and the Seller Plans listed on Section 1.1(y) of the Seller Disclosure Schedule and any associated funding media, assets, reserves, credits and service agreements, and all Documents created, filed or maintained in connection with such Seller Plans (to the extent transferable in accordance with the existing terms and conditions of the applicable Seller Plan) and any applicable annuity contracts, insurance policies or other funding instruments related thereto (collectively with the Assumed Retention Incentive Agreements, the "Assumed Plans" and, together with the Assumed Customer Contracts, the Assumed Vendor Contracts, the Assumed Personal Property Leases, the Assumed Real Property Leases, the Assumed Independent Contractor Contracts, and the Assumed Intellectual Property Licenses, the "Assigned Contracts");

(z) all loans and other indebtedness payable to any Seller; and

(aa) any Contract, asset, property or right set forth on Schedule 1.1(aa).

1.2 Excluded Assets. Notwithstanding anything to the contrary in this Agreement, in no event shall any Seller be deemed to sell, transfer, assign or convey, and the Purchased Assets shall not include, and each Seller shall retain all right, title and interest to, in and under, the following assets, properties, interests and rights of each Seller (collectively, the "Excluded Assets"):

(a) all Non-Assumed Contracts;

(b) all Documents (whether copies or originals) (i) to the extent they relate primarily to any of the Excluded Assets or Excluded Liabilities, (ii) that a Seller is required by Law to retain and is prohibited by Law from providing a copy of to the Purchaser or (iii) prepared primarily in connection with the transactions contemplated by this Agreement, including bids received from other parties;

(c) all shares of capital stock or other equity interests of any Seller or securities convertible into, exchangeable or exercisable for any such shares of capital stock or other equity interests;

(d) all shares of capital stock or other equity interests of Haul Insurance and all assets of Haul Insurance, including any cash or cash equivalents;

(e) any avoidance claims or causes of action under the Bankruptcy Code or applicable state Law with respect to the Excluded Assets, including, without limitation, all rights and avoidance claims of Sellers arising under Chapter 5 of the Bankruptcy Code with respect to the Excluded Assets;

(f) all credits, prepaid expenses, advance payments, security deposits, or claims that Sellers may have relating to any Excluded Assets;

(g) each Seller's rights under this Agreement;

(h) any cash tendered as part of the Purchase Price and any cash funded into the Wind Down Budget by the Purchaser; *provided*, *however*, that all unused portions of the Wind Down Budget shall be returned to the Purchaser and considered part of the Purchased Assets;

(i) other than the Assumed Plans, all of the Seller Plans, including the Management Incentive Retention Agreements and any ERISA Affiliate Plan, and any agreement relating to any of the foregoing, and any associated funding media, assets, reserves, credits and service agreements, and all Documents created, filed or maintained in connection with the Seller Plans (other than the Assumed Plans), any ERISA Affiliate Plan and any agreement relating to the foregoing, and any applicable annuity contracts, insurance policies or other funding instruments (collectively, the "Excluded Plans");

(j) all collective bargaining agreements, employment or similar agreements applicable to any Employee of Sellers, other than those specifically included as Purchased Assets or Assumed Liabilities;

(k) except to the extent that any Tax Return or Tax Record of Sellers is acquired pursuant to Section 1.1(q), all Tax Returns or Tax Records of Sellers;

(l) all Documents relating to formation, qualifications to conduct business as a foreign corporation or other legal entity, arrangements with registered agents relating to foreign

qualifications, Taxpayer and other identification numbers, seals, minute books, stock transfer books, stock ledgers, stock certificates, by-laws and other documents relating to the organization and existence of any Seller as a corporation or other legal entity, as applicable (together with analogous documentation), provided that Sellers shall promptly provide to the Purchaser copies of the foregoing Documents if reasonably requested by the Purchaser and to the extent that such Documents are available in the Sellers' books and records;

(m) the Owned Real Property set forth on Section 1.2(m) of the Seller Disclosure Schedule and all of Sellers' right, title and interest in and thereto (the "Excluded Owned Real Property");

(n) all shares of capital stock or other equity interests of AX International Limited, a company organized under the Laws of Bermuda, and all assets of AX International Limited (other than its equity interest in Arrendadora de Equipo para el Transporte de Automóviles, S.de R.L. de C.V.), including any Cash or Cash Equivalents; and

(o) any Contract, asset, property or right set forth on Schedule 1.2(o).

1.3 Assumption of Liabilities. On the terms and subject to the conditions set forth in this Agreement and the Sale Orders, the Purchaser shall assume only the following Liabilities of Sellers (collectively, the "Assumed Liabilities"):

(a) (i) all Cure Costs and (ii) any and all Liabilities of Sellers under each Assigned Contract arising on or after the Closing Date and related to such Assigned Contract;

(b) as set forth on Schedule 1.3(b) (which for the avoidance of doubt shall be listed as line items and/or categories and not dollar amounts), the obligation to pay any amounts owed to third parties arising in the Ordinary Course of Business after the Petition Date (whether arising prior to, on or after, the Closing Date), which are not past due more than thirty (30) days, and which are entitled to priority status under Section 503(b) of the Bankruptcy Code or under the CCAA;

(c) any and all Liabilities with respect to the Assumed Plans, including, for the avoidance of doubt, the Assumed Retention Incentive Agreements, whether arising prior to, on or after the Closing Date;

(d) any and all Liabilities for Transfer Taxes as provided in Section 11.1(a);

(e) any and all Liabilities for which the Purchaser is expressly responsible pursuant to Article VI; and

(f) any Liabilities set forth on Schedule 1.3(f).

1.4 Excluded Liabilities. Except for the Assumed Liabilities, neither the Purchaser nor any Designated Purchaser shall assume, or become liable for the payment or performance of, any Liabilities of Sellers of any nature whatsoever, whether accrued or unaccrued, including,

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without limitation, the following Liabilities (collectively, the "Excluded Liabilities") which shall remain Liabilities of Sellers and shall not be included in the Assumed Liabilities:

(a) all Liabilities of Sellers relating to or otherwise arising, whether before, on or after the Closing, out of, or in connection with, any of the Excluded Assets;

(b) all Liabilities of Sellers in respect of Non-Assumed Contracts;

(c) except to the extent that Liabilities are assumed pursuant to Section 1.3(a) or Section 1.3(b), all litigation and related claims and Liabilities arising out of or in connection with events occurring on or prior to the Closing Date, no matter when raised;

(d) any and all Liabilities relating to any environmental, health or safety matter (including any Liability or obligation under any Environmental Law), arising out of or relating to any Seller's operation of their respective businesses or their leasing, ownership or operation of real property on or prior to the Closing Date no matter when raised;

(e) all Liabilities of each Seller in respect of Indebtedness, whether or not relating to the Business;

(f) any and all Liabilities with respect to the Excluded Plans;

(g) any and all Liabilities for Taxes arising in connection with the transactions contemplated by this Agreement, except for Transfer Taxes as provided in Section 11.1(a);

(h) any and all Liabilities for Income Taxes attributable to the ownership of the Purchased Assets or the operation of the Business on or prior to the Closing Date;

(i) any payments due to any equity holders of Sellers in respect of management or other fees other than compensation owed to equity holders who are Employees of Sellers in the Ordinary Course of Business;

(j) all Liabilities set forth on Schedule 1.4(j);

(k) all obligations to pay the amounts owed for goods or services received by Sellers in the Ordinary Course of Business in respect of any trade and vendor accounts payable, except for amounts included as Assumed Liabilities pursuant to Section 1.3(b);

(l) any and all Liabilities of any Seller under any collective bargaining agreement or any agreement with any labor union; and

(m) except as expressly set forth in Article VI and except pursuant to Section 1.3(c), any liability relating to the employment or termination of employment of any (x) Person arising from or related to the operation of the Business on or prior to Closing or the transactions contemplated by this Agreement (including but not limited to, any severance or stay or incentive bonuses) or (y) Person who is not a Transferred Employee arising after the Closing; and

(n) any Liabilities set forth on Schedule 1.4(n).

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For the avoidance of doubt, except as expressly noted above, none of the Excluded Liabilities shall be included as Assumed Liabilities.

1.5 Updates to the Purchased Assets, the Excluded Assets, the Assumed Liabilities and Excluded Liabilities; Cure Costs; Disclosure Schedule Updates.

(a) Notwithstanding anything in this Agreement to the contrary, upon written notice to Sellers, the Purchaser may revise and update in writing any Sellers' Schedule setting forth the Purchased Assets, the Excluded Assets, the Assumed Liabilities and Excluded Liabilities to:

(i) include in the definition of Purchased Assets (pursuant to the applicable Schedule) and to exclude from the definition of Excluded Assets, any Contract of any Seller not previously included in the Purchased Assets, at any time on or prior to the third (3rd) Business Day prior to the commencement of the Auction and require Sellers to give notice to the parties to any such Contract;

(ii) exclude from the definition of Purchased Assets (pursuant to the applicable Schedule) and to include in the definition of Excluded Assets, any Assigned Contract of any Seller previously included in the Purchased Assets and not otherwise included in the definition of Excluded Assets, at any time prior to the Closing;

(iii) exclude from the definition of Purchased Assets (pursuant to the applicable Schedule) and to include in the definition of Excluded Assets, any asset (other than a Contract) of any Seller previously included in the Purchased Assets and not otherwise included in the definition of Excluded Assets, at any time prior to the Closing;

(iv) exclude from the definition of Assumed Liabilities (pursuant to the applicable Schedule) and to include in the definition of Excluded Liabilities, any Liability of any Seller previously included in the Assumed Liabilities and not otherwise included in the definition of Excluded Liabilities, at any time on or prior to the third (3rd) Business Day prior to the commencement of the Auction; and

(v) include in the definition of Assumed Liabilities (pursuant to the applicable Schedule) and to exclude from the definition of Excluded Liabilities, any Liability of any Seller not previously included in the Assumed Liabilities, at any time prior to the Closing and require Sellers to give such notice to any third party as is required for the assumption of such Liability;

provided that no such change of any Sellers' Schedule, the definition of the Purchased Assets, the definition of the Excluded Assets, the definition of the Assumed Liabilities or the definition of the Excluded Liabilities shall increase or decrease the amount of the Purchase Price.

(b) If any change made by the Purchaser pursuant to Section 1.5(a) results in any Sellers' Schedule being incorrect or incomplete, Sellers shall be permitted to update, in writing to the Purchaser, such Sellers' Schedule solely to the extent necessary to correct or complete such Sellers' Schedule.

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(c) If any Contract is added to (or excluded from) the Purchased Assets as permitted by this Section 1.5, Sellers shall promptly take such steps as are reasonably necessary, subject to the Purchaser providing payment or adequate assurance of payment of any Cure Costs, including prompt delivery of notice to the non-debtor counterparty, to cause such Contracts to be assumed by Sellers, and assigned to the Purchaser, on the Closing Date (or excluded under the Sale Orders and this Agreement), other than any consents, approvals, waivers, authorizations or notices that can be overridden or canceled by the Sale Orders or other related order of the Bankruptcy Courts. Without limiting any of the Purchaser's rights pursuant to this Section 1.5, in the event that the Sale Orders do not approve the assignment or transfer of one or more of the Assigned Contracts, or if a non-debtor counterparty to such Assigned Contract objects to the proposed Cure Cost or to the assignment of such Assigned Contract, the Purchaser may, in its sole discretion, prior to the payment of such Cure Cost or the assumption and assignment of such Assigned Contract, exclude such contract from the Assigned Contracts.

(d) If, subsequent to the entry of the Sales Orders, the Purchaser exercises its rights under Section 12.8 to designate any other Person to be the assignee under any Assigned Contract, the Purchaser shall give prompt notice thereof to Sellers, and Sellers shall promptly take such steps as are reasonably necessary to provide notice to the counterparty to such Assigned Contract (with an opportunity for such counterparty to object). The Purchaser and Sellers agree that, notwithstanding the occurrence of the Closing, the assignment of any such Assigned Contract shall not become effective until the earlier of (i) the passage of the notice period without the filing of any objection by the counterparty and (ii) the entry of an order at the applicable Bankruptcy Court overruling any such objection; provided that if the effective date of assignment of any Assigned Contract is after the Closing due to an exercise of the Purchaser's rights under Section 12.8, the Purchaser shall be liable for any and all liabilities and obligations of the Sellers arising under such Assigned Contract from and after the Closing through and including the effective date of assumption or rejection of such Assigned Contract (excluding any liabilities and obligations relating to rejection of such Assigned Contract), and shall further indemnify the Sellers for any losses or liabilities incurred by Sellers after the Closing as a result of the delay in effectuating the assignment of any such Assigned Contract (excluding, for the avoidance of doubt, any liabilities and obligations relating to rejection of such Assigned Contract).

1.6 No Successors. Neither the Purchaser nor any Designated Purchaser shall be deemed, as a result of any action taken in connection with the purchase of the Purchased Assets, to: (1) be a successor (or other similarly situated party) to any of Sellers (other than with respect to the Assumed Liabilities and any obligations under the Acquired Contracts from and after the Closing Date as expressly stated in this Agreement); or (2) have, *de facto* or otherwise, merged with or into any of Sellers or (3) be a continuation or substantial continuation of Sellers or any business of Sellers.

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ARTICLE II.

CONSIDERATION

2.1 Consideration.

(a) The aggregate consideration (collectively, the "Purchase Price") to be paid for the purchase of the Purchased Assets shall be:

(i) (A) an amount in cash sufficient to pay (or cash collateralize, in the case of letters of credit) in full, all obligations owing under the DIP Credit Agreement as of the Closing Date, or (B) the agreement of the Purchaser to treat such amounts as an Assumed Liability, subject to the consent of the DIP Lenders and subject to the release of Sellers from all obligations owing under the DIP Credit Agreement as of the Closing Date (in either such case, the "DIP Payment");

(ii) an amount in cash equal to the Wind Down Budget (the "Wind Down Budget");

(iii) the Additional Cash Consideration; and

(iv) the contribution, release or waiver (as the Purchaser may direct in its sole discretion) of Sellers and any guarantors (and their respective successors and assigns) of an amount equal to the Claim Contribution Amount (such contribution, release or waiver, the "Claim Contribution");

(b) In addition to the foregoing consideration, as consideration for the grant, sale, assignment, transfer and delivery of the Purchased Assets, the Purchaser shall assume and discharge the Assumed Liabilities.

ARTICLE III.

CLOSING AND TERMINATION

3.1 Closing. Subject to the satisfaction of the conditions set forth in Sections 9.1 and 9.2 hereof or the waiver thereof by the party entitled to waive the applicable condition, the closing of the purchase and sale of the Purchased Assets, the delivery of the Purchase Price, the assumption of the Assumed Liabilities and the consummation of the other transactions contemplated by this Agreement (the "Closing") shall take place at the New York office of Schulte Roth & Zabel LLP (or at such other place as the parties may designate in writing), subject to Section 3.4, on the date that is two (2) Business Days following the date on which all of the conditions set forth in Section 9.1 and Section 9.2 have been satisfied (other than conditions that by their nature are to be satisfied at the Closing) or waived by the party entitled to waive the applicable condition, unless another time or date, or both, are agreed to in writing by the parties hereto. The date on which the Closing shall be held is referred to in this Agreement as the "Closing Date." Unless otherwise agreed by the parties in writing, upon the filing of the Information Officer's Certificate, the Closing shall be deemed effective and all right, title and

interest of each of Sellers in the Purchased Assets to be acquired by the Purchaser hereunder shall be considered to have passed to the Purchaser and the assumption of all of the Assumed Liabilities shall be considered to have occurred as of 12:01 a.m. Eastern Time on the Closing Date.

3.2 Closing Deliveries by Sellers. At the Closing, Sellers shall deliver to the Purchaser:

(a) a duly executed bill of sale with respect to the Purchased Assets, substantially in the form attached hereto as Exhibit A;

(b) a duly executed assignment and assumption agreement with respect to the Assumed Liabilities, substantially in the form attached hereto as Exhibit B;

(c) true and correct copies of the Sale Orders;

(d) a true and correct copy of the Information Officer's Certificate; provided that all events to be certified therein by the Information Officer have occurred; provided further Sellers shall cause the Information Officer's Certificate to be filed with the Canadian Court immediately thereafter;

(e) a duly executed non foreign person affidavit of each of Sellers (other than any Seller organized in a non-U.S. jurisdiction) (or, in the case of a Seller that is a disregarded entity for U.S. federal income tax purposes, the Person treated as the "transferor" with respect to such Seller within the meaning of Treasury Regulations Section 1.1445-2(b)(2)(iii)) dated as of the Closing Date, sworn under penalty of perjury and in form and substance required under the Treasury Regulations issued pursuant to Section 1445 of the Code, stating that such Seller is not a "foreign person" as defined in Section 1445 of the Code;

(f) the officer's certificates required to be delivered pursuant to Sections 9.2(e) and 9.2(f);

(g) certificates representing the Foreign Subsidiary Stock, duly endorsed in blank or accompanied by duly executed stock powers or other instruments of assignment requested by and reasonably satisfactory in form and substance to the Purchaser;

(h) a statement that sets forth all Employees (including former Employees) who experienced an Employment Loss in the ninety (90) days immediately preceding the Closing Date;

(i) a statement, as of the last day of the calendar month immediately preceding the Closing, setting forth any amounts owed to third parties by Sellers arising in the Ordinary Course of Business as of such date and which constitute Assumed Liabilities pursuant to Section 1.3(b); provided that if the Closing occurs prior to the 20th day of the month, such statement shall be as of the last day of the second calendar month preceding the Closing; and

(j) the Sellers' Documents.

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3.3 Closing Deliveries by the Purchaser. At the Closing, the Purchaser shall deliver to (or at the direction of) Sellers:

(a) the Purchase Price, in the form of (i) cash in an amount sufficient to fund the Wind Down Budget by wire transfer of immediately available funds to one or more accounts designated by Sellers, (ii) (A) the DIP Payment by wire transfer of immediately available funds to the DIP Agent on behalf of itself and the DIP Lenders or (B) the agreement of the Purchaser to treat such amounts as an Assumed Liability, along with evidence (reasonably acceptable to Sellers) of the consent of the DIP Lenders to such assumption and to the release of Sellers from all obligations owing under the DIP Credit Agreement as of the Closing Date, (iii) cash in an amount equal to the Additional Cash Consideration and (iv) the Claim Contribution Amount;

(b) a duly executed assignment and assumption agreement substantially in the form attached hereto as Exhibit B;

(c) the officer's certificates required to be delivered pursuant to Sections 9.1(d) and 9.1(e);

(d) satisfactory evidence of the payment of the Cure Costs (or establishment of appropriate reserves therefor) and;

(e) the Purchaser's Documents.

3.4 Termination of Agreement. This Agreement may be terminated as follows:

(a) by the mutual written consent of Allied and the Purchaser at any time prior to the Closing;

(b) by either the Purchaser or Allied, if the Closing shall not have been consummated on or prior to the close of business on October 14, 2013 (the "Outside Date"), except to the extent that the Closing is delayed by the Purchaser pursuant to Section 6.3(c); *provided, however*, that the Outside Date shall be automatically extended for up to an additional sixty (60) days only if the Closing has not occurred as a result of the need to obtain any consent, waiver, approval, order, Permit or authorization of any Governmental Body required in connection with the Closing; *provided, further*, that the Purchaser and Allied shall have the right to extend the Outside Date upon such parties' mutual written agreement on or prior to the Outside Date; *provided, further*, that the right to terminate this Agreement under this Section 3.4(b) shall not be available to any party whose failure to fulfill any material obligation under this Agreement has been the cause of, or resulted in, the failure of the Closing to occur on or before such date;

(c) by either the Purchaser or Allied, if there shall be any Law that makes consummation of the transactions contemplated hereby illegal or otherwise prohibited, or there shall be in effect a final non-appealable order of a Governmental Body of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby; it being agreed that the parties hereto shall promptly appeal any adverse determination which is appealable (and pursue such appeal with reasonable diligence);

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(d) by either the Purchaser or Allied, if there shall be entered any order of a court of competent jurisdiction determining that BDCM Opportunity Fund II, L.P., Black Diamond CLO-2005, Ltd., Spectrum Investment Partners, L.P. and American Money Management do not constitute Requisite Lenders (as defined in the First Lien Credit Agreement and the First Lien Credit Documents);

(e) by the Purchaser, if any Chapter 11 Case is converted to a case or cases under Chapter 7 of the Bankruptcy Code and the Chapter 7 trustee in the bankruptcy case notifies the Purchaser in writing that the Chapter 7 trustee does not intend to pursue the transactions contemplated hereunder;

(f) by the Purchaser, if (A) the Bidding Procedures Order shall not have been issued by the U.S. Bankruptcy Court by the close of business on the day that is thirty (30) days after a motion has been filed with the U.S. Bankruptcy Court seeking approval of the Bidding Procedures Order (subject to court availability) and recognized by the Canadian Court by the close of business on the day that is ten (10) days after the Bidding Procedures Order has been issued by the U.S. Bankruptcy Court (subject to court availability) or (B) following its entry, and its recognition by the Canadian Court, the Bidding Procedures Order shall fail to be in full force and effect or shall have been stayed, reversed, modified or amended in any respect without the prior written consent of the Purchaser and Allied; *provided* that the right to terminate this Agreement under this Section 3.4(f) shall not be available to the Purchaser if the Purchaser's failure to fulfill any material obligation under this Agreement has been the cause of, or resulted in, the failure of the Bidding Procedures Order to meet these requirements on or before such date;

(g) by the Purchaser, if (A) the U.S. Sale Order shall not have been issued by the U.S. Bankruptcy Court by the close of business on August 16, 2013 and the Canadian Sale Order shall not have been issued by the Canadian Court by the close of business on the day that is ten (10) days after the issuance of the U.S. Sale Order by the U.S. Bankruptcy Court (subject to court availability) or (B) following its entry, and its recognition by the Canadian Court, the Sale Orders (1) shall fail to be in full force and effect or shall have been stayed or reversed and the Sales Orders are not reinstated or such stay has not been lifted prior to the Outside Date, or (2) shall have been modified or amended in any respect without the prior written consent of the Purchaser and Allied; *provided* that the right to terminate this Agreement under this Section 3.4(g) shall not be available to the Purchaser if the Purchaser's failure to fulfill any material obligation under this Agreement has been the cause of, or resulted in, the failure of the Sale Orders to meet these requirements on or before such date. For the avoidance of doubt, the failure to satisfy any condition to Closing set forth in Section 9.2 of this Agreement shall not be deemed a failure of Purchaser to fulfill any obligation of Purchaser hereunder;

(h) by either the Purchaser or Allied on the forty-fifth (45th) day following the entry of sale orders approving an Alternative Transaction (or the ninetieth (90th) day following the entry of such sale orders if such Alternative Transaction has not closed by such date as a result of the need to obtain any consent, waiver, approval, order, Permit or authorization of any Governmental Body required in connection with such Alternative Transaction) (it being

understood that Purchaser shall not have the right to terminate this Agreement upon the completion of an Auction where the Purchaser is not the Successful Bidder);

(i) automatically upon consummation of an Alternative Transaction;

(j) by Allied, if the Purchaser has breached any representation, warranty, covenant or agreement contained in this Agreement and as a result of such breach the conditions set forth in Section 9.1(c) and Section 9.1(d) hereof, as the case may be, would not then be satisfied at the time of such breach; *provided, however*, that if such breach is curable by the Purchaser within thirty (30) days through the exercise of its reasonable best efforts, then for so long as the Purchaser continues to exercise such reasonable best efforts Sellers may not terminate this Agreement under this Section 3.4(j) unless such breach is not cured within thirty (30) days from written notice to the Purchaser of such breach; *provided, further*, that Sellers are not then in material breach of the terms of this Agreement, and *provided, further*, that no cure period shall be required for a breach which by its nature cannot be cured;

(k) by the Purchaser, if Sellers have breached any representation, warranty, covenant or agreement contained in this Agreement (other than Section 8.15) and as a result of such breach the conditions set forth in Section 9.2(d) and Section 9.2(e) hereof, as the case may be, would not then be satisfied at the time of such breach; *provided, however*, that if such breach is curable by Sellers within thirty (30) days through the exercise of their respective reasonable best efforts, then for so long as Sellers continue to exercise such reasonable best efforts the Purchaser may not terminate this Agreement under this Section 3.4(k) unless such breach is not cured within thirty (30) days from written notice to Sellers of such breach; *provided, further*, that the Purchaser is not then in material breach of the terms of this Agreement, and *provided, further*, that no cure period shall be required for a breach which by its nature cannot be cured;

(l) by the Purchaser, if between the Execution Date and the Closing Date, there occurs a Material Adverse Effect;

(m) by Allied, if all of the conditions set forth in Section 9.2 have been satisfied (other than conditions that by their nature are to be satisfied at the Closing) or waived and the Purchaser fails to deliver the Purchase Price at the Closing; or

(n) by the Purchaser, if the Seller Disclosure Schedule and any other Schedule deliverable by Sellers pursuant to this Agreement (the "Sellers' Schedules") are not acceptable in form and substance to the Purchaser (in its sole discretion) by May 31, 2013.

3.5 Procedure Upon Termination. In the event of a termination of this Agreement pursuant to Section 3.4, (a) if such termination is by the Purchaser or Sellers, or both, written notice thereof shall be given promptly by the terminating party to the other parties hereto, specifying the provision hereof pursuant to which such termination is made, (b) except as contemplated by Section 3.6, this Agreement shall thereupon terminate and become void and of no further force and effect and (c) the consummation of the transactions contemplated by this Agreement shall be abandoned without further action of the parties hereto. If this Agreement is terminated as provided herein, each party shall redeliver all documents, work papers and other

material of any other party relating to the transactions contemplated hereby, whether so obtained before or after the execution hereof, to the party furnishing the same.

3.6 Effect of Termination. In the event that this Agreement is validly terminated as provided herein, then each of the parties shall be relieved of its duties and obligations arising under this Agreement effective as of the date of such termination and such termination shall be without Liability to the Purchaser or Sellers; *provided, however*, that Section 3.4, Section 3.5, this Section 3.6, Section 3.7, Article XII, the Bidding Procedures Order (if entered) and, if applicable pursuant to Section 7.1, the Sellers' obligation to pay the Purchaser's Expense Reimbursement shall survive any such termination and shall be enforceable hereunder. In no event shall any termination of this Agreement relieve any party hereto of any Liability for any willful breach of this Agreement by such party.

3.7 Liquidated Damages. If Allied terminates this Agreement pursuant to Section 3.4(j) or Section 3.4(m), the Purchaser shall, as liquidated damages for breach of contract and as Sellers' sole and exclusive remedy, cause to be assigned or transferred to Sellers, free and clear of all Encumbrances, an amount equal to the first $5 million otherwise distributable to the First Lien Lenders (pro rata amongst the First Lien Lenders) on account of the secured obligations held by the First Lien Lenders under the First Lien Credit Agreement and the First Lien Credit Documents (the "Claim Assignment"). The Purchaser and Sellers agree that this amount is a reasonable sum given that it is impractical or extremely difficult to establish the amount of damages that would be actually suffered by Sellers in the event that the Purchaser were to breach this Agreement.

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES OF THE SELLERS

Sellers hereby, jointly and severally, make the representations and warranties in this Article IV to the Purchaser as of the Execution Date (except with respect to representations and warranties made as of a particular date, which shall be deemed to be made only as of such date), except as qualified or supplemented by Sections in the Seller Disclosure Schedule to be delivered pursuant to this Agreement (regardless of whether there is an express reference to the Seller Disclosure Schedules in the representations and warranties contained in this Article IV; provided that information furnished in any particular section of the Seller Disclosure Schedule shall not be deemed to be included in any other sections of the Seller Disclosure Schedule unless such information is specifically listed or cross-referenced in such other sections of the Seller Disclosure Schedule), as the same may be amended or modified in accordance with Section 1.5 hereof. Each such Section of the Seller Disclosure Schedule is numbered by reference to representations and warranties in a specific Section of this Article IV.

4.1 Corporate Organization and Qualification. Allied is a corporation duly incorporated, validly existing and in good standing under the Laws of the State of Delaware. Except as a result of the commencement of the Bankruptcy Cases, Allied is qualified and in good standing as a foreign corporation in each jurisdiction where the properties owned, leased or operated or the conduct of its Business require such qualification, except as would not have or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse

Effect. Each of the other Allied Entities is duly organized, validly existing and in good standing under the Laws of its respective jurisdiction of organization. Except as a result of the commencement of the Bankruptcy Cases and except as set forth in Section 4.1 of the Seller Disclosure Schedule, each of the other Allied Entities is qualified and in good standing as a foreign entity in each jurisdiction where the properties owned, leased or operated or the conduct of its respective Business require such qualification, except as would not have or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Each Allied Entity has all requisite corporate, limited liability company or other organizational, as applicable, power and authority to own, lease and operate its properties and to carry on the Business as it is now being conducted, subject to the provisions of the Bankruptcy Code.

4.2 Allied and Subsidiaries.

(a) Section 4.2(a) of the Seller Disclosure Schedule sets forth a true and complete list of the names and jurisdictions of organization of each Allied Entity.

(b) Section 4.2(b) of the Seller Disclosure Schedule sets forth each corporation, association or other entity (other than another Allied Entity) in which each Allied Entity owns, of record or beneficially, any direct or indirect equity or other ownership interest or any right (contingent or otherwise) to acquire the same.

(c) Except as set forth in Section 4.2(c) of the Seller Disclosure Schedule, all Foreign Subsidiary Stock is owned, directly or indirectly, by one or more Sellers free and clear of all Encumbrances, other than Permitted Encumbrances. All of the issued outstanding shares of capital stock of each of the Foreign Subsidiaries have been duly authorized and are validly issued, fully paid and nonassessable, and have not been issued in violation of any preemptive right, rights of first refusal or similar rights. All of the outstanding shares of capital stock of each of the Foreign Subsidiaries were issued in compliance with all applicable Laws, including securities Laws. Except as set forth on Section 4.2(c) of the Seller Disclosure Schedule, there are no issued or outstanding shares of capital stock, equity securities or securities containing any equity features of any Foreign Subsidiary, and there are no subscriptions, options, warrants, calls, commitments, phantom shares, phantom equity interests or other rights, agreements, undertakings or arrangements existing or outstanding obligating any Allied Entity to issue, deliver or sell, or cause to be issued, delivered or sold, any such shares of capital stock, equity securities or securities containing any equity features of any Foreign Subsidiary.

4.3 Authority Relative to This Agreement. Except for such authorization as is required by the Bankruptcy Courts and receipt of any Regulatory Approvals, each Seller has all requisite corporate, limited liability company or other organizational, as applicable, power, and authority to (a) execute and deliver this Agreement, (b) execute and deliver each other agreement, document, instrument or certificate contemplated by this Agreement or to be executed by Sellers in connection with the consummation of the transactions contemplated by this Agreement set forth on Section 4.3 of the Seller Disclosure Schedule attached hereto (the "Sellers' Documents"), and (c) perform its obligations hereunder and thereunder and consummate the transactions contemplated hereby and thereby. Subject to and assuming entry of the Sale Orders, the execution and delivery of this Agreement and the Sellers' Documents, and the consummation of the transactions contemplated hereby and thereby, have been duly

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authorized by all requisite corporate, limited liability company or other organizational, as applicable, action on the part of Sellers. This Agreement has been, and at or prior to the Closing, each of the Sellers' Documents will be, duly and validly executed and delivered by each Seller and (assuming the due authorization, execution and delivery by the other parties hereto and thereto, and the entry of the Sale Orders) this Agreement constitutes, and each of the Sellers' Documents when so executed and delivered will constitute, legal, valid and binding obligations of each Seller, enforceable against each Seller in accordance with its respective terms except as enforceability may be limited by bankruptcy, insolvency, reorganization and moratorium Laws, other similar Laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies (collectively, "Bankruptcy Exceptions").

4.4 Conflicts; Consents of Third Parties.

(a) Except as set forth on Section 4.4(a) of the Seller Disclosure Schedule, except for such consents, approvals, waivers, authorizations or notices that can be overridden or canceled by the Sale Orders or other related order of the Bankruptcy Courts and subject to and assuming entry of the Sale Orders, none of the execution and delivery by Sellers of this Agreement or any Sellers' Document, the consummation of the transactions contemplated hereby or thereby, or compliance by Sellers with any of the provisions hereof or thereof will conflict with, or result in any violation of or constitute a breach or default (with or without notice or lapse of time, or both) under, or give rise to a right of acceleration, payment, amendment, termination or cancellation under any provision of (i) Allied's certificate of incorporation, Allied's bylaws, or the certificate of incorporation or bylaws (or other comparable organizational documents) of any of the other Allied Entities; (ii) any Material Contract or Material Permit that constitutes a Purchased Asset; (iii) any order of any Governmental Body applicable to any Allied Entity or any of the properties or assets of the Allied Entities, including the Purchased Assets, or the Business as of the Execution Date; or (iv) any applicable Law, other than (x) under the Antitrust Laws, or (y) in the case of clauses (ii), (iii) and (iv), such conflicts, violations, defaults, terminations or cancellations that would not have, individually or in the aggregate, a Material Adverse Effect.

(b) Except as set forth on Section 4.4(b) of the Seller Disclosure Schedule, no order, Permit or declaration or filing with, or notification to, any Governmental Body is required on the part of the Allied Entities in connection with the execution and delivery of this Agreement or the Sellers' Documents, the compliance by Sellers with any of the provisions hereof or thereof, the consummation of the transactions contemplated hereby or thereby or the taking by the Allied Entities of any other action contemplated hereby or thereby, except for (i) the entry of the Sale Orders, (ii) such orders, Permits, declarations, filings and notifications as may be required under the Antitrust Laws, and (iii) such other orders, Permits, declarations, filings and notifications, the failure of which to obtain or make would not have, individually or in the aggregate, a Material Adverse Effect.

4.5 Absence of Certain Developments. Except for actions taken in connection with the Bankruptcy Cases, as contemplated or expressly required or permitted by this Agreement, or as set forth in Section 4.5 of the Seller Disclosure Schedule, since December 31, 2012, the

Business has been conducted in the Ordinary Course of Business, and none of the Allied Entities has:

(a) acquired any material assets, other than acquisitions of Equipment or Inventory in the Ordinary Course of Business;

(b) sold, leased, transferred or assigned assets having in the aggregate a fair market value in excess of $250,000;

(c) accelerated, terminated, modified, amended, or cancelled any Material Contract, or waived, released or assigned any material rights or claims thereunder in a manner materially adverse to the Allied Entities;

(d) imposed or created any Encumbrance (other than Permitted Encumbrances) upon any of the Purchased Assets, tangible or intangible, that would be binding on the Purchaser;

(e) incurred or made any capital expenditures other than in accordance with the Capital Expenditure Covenants;

(f) created, incurred, assumed or guaranteed any Indebtedness that would be binding upon the Purchaser or any Designated Purchaser;

(g) transferred, assigned abandoned or granted any license or sublicense of any rights under or with respect to any Assumed Intellectual Property;

(h) experienced any damage, destruction or other casualty loss affecting the tangible Purchased Assets and resulting in an aggregate loss in excess of $1,000,000;

(i) granted any bonus opportunity or any increase in any type of compensation or benefits, including severance or termination pay, to any of its current or former directors, Employees or consultants;

(j) paid any bonus to any former or current Employee;

(k) delayed or postponed the payment of undisputed accounts payable or any other undisputed Liabilities of the Business in any material respect (except as required by the Bankruptcy Code);

(l) adopted, made or agreed to (i) any welfare, pension, retirement, profit-sharing, incentive compensation or similar plan, program, payment or arrangement for any Employee except pursuant to the existing Seller Plans or (ii) any new employment or change of control agreement;

(m) made any material addition to or modification of any Seller Plan, other than (i) contributions to such plans made in the Ordinary Course of Business or (ii) the extension of coverage to Employees of the Allied Entities who became eligible after December 31, 2012;

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(n) changed any finance or Tax accounting methods, principles or practices, except insofar as may have been required by a change in GAAP or applicable Law;

(o) made any Tax election or any settlement or compromise of any material Tax Liability;

(p) received any written notice of any cancellation or termination of any Assigned Contract that is a Material Contract, including without limitation, such Assigned Contracts with Acquired Customers; and

(q) entered into or agreed to enter into any lease or other contractual arrangement pursuant to which the Allied Entities would be required to make payments in excess of $500,000 from and after the Execution Date and prior to the end of the earlier of (i) the terms of the applicable agreement, and (ii) the twelve month anniversary of the Execution Date.

4.6 Litigation. Except in connection with the Bankruptcy Cases and except as set forth in Section 4.6 of the Seller Disclosure Schedule, there is no material litigation, action, claim, suit, proceeding, or, to the Knowledge of Sellers, investigation (collectively, "Actions"), pending, or, to the Knowledge of Sellers, threatened against any Allied Entity relating to the Business or the Purchased Assets that would have, individually or in the aggregate, a Material Adverse Effect or give rise to an Assumed Liability. Except in connection with the Bankruptcy Cases and as set forth in Section 4.6 of the Seller Disclosure Schedule, no Allied Entity is subject to any judgment, decree, injunction, or order of any court, arbitration panel or other Governmental Body that relates to the Business or the Purchased Assets and for which the Allied Entities have continuing obligations or Liabilities.

4.7 Intellectual Property.

(a) Section 4.7(a) of the Seller Disclosure Schedule sets forth a true, complete and correct list of all (i) patents, registered trademarks, registered copyrights, Internet domain names, and applications for any of the foregoing, in each case that are material to the operation of the Business and that are Owned Intellectual Property (collectively, the "Registered IP") and (ii) a list of all other material Owned Intellectual Property that constitutes trademarks, service marks, trade names, logos, brand names, computer software or computer programs and a list of all Licensed Intellectual Property material to the operation of the Business (except for Intellectual Property licensed pursuant to off the shelf software and licenses implied in the sale of such software or hardware and licenses of software or hardware that are widely available commercially for a purchase price of less than $50,000).

(b) Section 4.7(b) of the Seller Disclosure Schedule sets forth a true, complete and correct list of all material software, databases, licenses, and contracts that are included in, comprise or are related to the Owned Intellectual Property set forth in Section 4.7(a) of the Seller Disclosure Schedule, except for off the shelf software or hardware and licenses implied in the sale of such software or hardware and licenses of software or hardware that are widely available commercially for a purchase price of less than $50,000.

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(c) Except as set forth on Section 4.7(c) of the Seller Disclosure Schedule, (i) each of the Allied Entities owns the Owned Intellectual Property, free from any Encumbrances, other than Permitted Encumbrances, and free from any requirement of any present or future material royalty payments or license fees; and (ii) no action is pending, or to the Knowledge of Sellers, threatened, challenging the validity, enforceability, registration, ownership or use of any of the Registered IP.

(d) To the Knowledge of Sellers, neither the Allied Entities nor any of their respective products or services is infringing upon, misappropriating, diluting or otherwise violating, the Intellectual Property of any third party and no Person is infringing upon, misappropriating, diluting or otherwise violating, any Seller Intellectual Property. Except as set forth on Section 4.7(b) of the Seller Disclosure Schedule, there is no pending claim, action or proceeding alleging that the Allied Entities are infringing, misappropriating, diluting or otherwise violating the Intellectual Property rights of any Person, and to the Knowledge of Sellers, no such claims are threatened, except in the case of threatened claims as would not have, individually or in the aggregate, a Material Adverse Effect.

(e) Except as set forth on Section 4.7(e) of the Seller Disclosure Schedule and except as would not be, individually or in the aggregate, material to the Allied Entities, the Allied Entities own or have the right to use the Seller Intellectual Property as used in the conduct of the Business as currently conducted, free and clear from any Encumbrances (other than Permitted Encumbrances and subject to the terms and conditions of any agreement pursuant to which such Seller Intellectual Property was obtained).

4.8 Agreements, Contracts and Commitments; Certain Other Agreements.

(a) Section 4.8(a) of the Seller Disclosure Schedule sets forth the following types of material executory Contracts that are unexpired as of the Execution Date relating to the Business to which any Allied Entity is a party or by which it is bound or any of the Purchased Assets are bound as of the Execution Date (such Contracts set forth below are collectively referred to as the "Material Contracts"):

(i) Contracts with Top Customers;

(ii) Contracts requiring payments by or to any Allied Entity in excess of $250,000 during the twelve month period ended April 30, 2013;

(iii) Contracts with Top Suppliers;

(iv) Contracts pursuant to which the Allied Entities, from and after the Execution Date through the twelve (12) month anniversary of the Execution Date, would be required to make payments in excess of $250,000 on an annualized basis, assuming such Contracts were renewed on substantially similar terms;

(v) employment agreements or similar agreements;

(vi) severance agreements or similar agreements;

(vii) collective bargaining agreements with any labor unions;

(viii) the Assumed Plans;

(ix) the Assumed Retention Incentive Agreements;

(x) the Assumed Real Property Leases;

(xi) Personal Property Leases involving annual payments in excess of $250,000 relating to tangible personal property, including Equipment, used by any Allied Entity in the Business or to which any Allied Entity is a party or by which the personal property, including Equipment, of any Allied Entity is bound;

(xii) Contracts that: (A) limit or restrict in a material respect any Allied Entity or any of its Affiliates from engaging in any business or other activity in any jurisdiction; or (B) create or purport to create any exclusive relationship or arrangement that is restrictive on any Allied Entity or the Business;

(xiii) Contracts granting to any Person (other than any Allied Entity or any direct or indirect subsidiary of any Allied Entity) an option or a right of first refusal, first-offer or similar preferential right to purchase or acquire any of the Purchased Assets;

(xiv) Contracts involving annual payments in excess of $250,000 (i) with respect to Seller Intellectual Property licensed or transferred to any third party or (ii) pursuant to which a third party has licensed or transferred any Intellectual Property to an Allied Entity (in the case of both (i) and (ii), except for off the shelf software or hardware or hardware and licenses implied in the sale of such software or hardware and licenses of software or hardware that are widely available commercially for a purchase price of less than $50,000);

(xv) joint venture or partnership Contracts or Contracts entitling any Person (other than any Allied Entity or any direct or indirect subsidiary of any Allied Entity) to any profits, revenues or cash flows of the Allied Entities or requiring payments or other distributions based on such profits, revenues or cash flows (excluding in each case ordinary course compensation to Employees or independent contractors (including base salary and bonus opportunity)); and

(xvi) Contracts with any Governmental Body.

(b) Except as set forth on Section 4.8(b) of the Seller Disclosure Schedule or as a result of the Bankruptcy Cases, no Allied Entity has received any written notice of any material outstanding or uncured default by such Allied Entity under any Material Contract .

(c) Except as set forth on Section 4.8(c) of the Seller Disclosure Schedule, Sellers have heretofore delivered or made available to the Purchaser, or will have delivered or made available to the Purchaser on or prior to the Schedule Delivery Date, true and complete copies of all Material Contracts that are in writing, including all amendments, modifications,

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schedules and supplements thereto and all waivers with respect thereto; provided that Sellers shall be entitled to redact any Material Contracts to the extent necessary to avoid violation of any antitrust or other similar competition Laws (it being understood that Sellers do not believe any such Laws would be violated as a result of the disclosure of the Material Contracts to the Purchaser). Any such investigations and examinations shall be conducted during regular business hours upon reasonable advance notice and under reasonable circumstances and shall be subject to restrictions under applicable Law. Assuming (x) the entry of the Sale Orders, (y) the payment of all applicable Cure Costs, and (z) due execution by the other party or parties thereto, as of the Closing Date, to the Knowledge of Sellers, each Material Contract will be in full force and effect and, subject to the Bankruptcy Exceptions, enforceable in accordance with its terms against each Allied Entity that is a party thereto.

4.9 Regulatory Matters; Permits.

(a) All of the material Permits that are necessary for the operation of the Business as currently conducted and the ownership of the Purchased Assets are held by the Allied Entities and are in full force and effect, except as a result of the Bankruptcy Cases (collectively, the "Material Permits").

(b) Each Allied Entity is in material compliance with its obligations under each of the Material Permits, except as a result of the Bankruptcy Cases.

(c) Each Material Permit is valid and in full force and effect and there is no proceeding, notice of violation, order of forfeiture or complaint or investigation against any Allied Entity relating to any of the Material Permits pending or, to the Knowledge of the Seller, threatened, before any Governmental Body, in each case except as a result of the Bankruptcy Cases and except as would not have, individually or in the aggregate, a Material Adverse Effect.

4.10 Brokers and Finders. Except as set forth in Section 4.10 of the Seller Disclosure Schedule, Sellers have not employed, and to the Knowledge of Sellers, no other Person has made any arrangement by or on behalf of Sellers with any investment banker, broker, finder, consultant or intermediary in connection with the transactions contemplated by this Agreement which would be entitled to any investment banking, brokerage, finder's or similar fee or commission in connection with this Agreement or the transactions contemplated hereby.

4.11 Title to Assets. At Closing, the Allied Entities will have (and, to the extent permitted by Section 363 and Section 365 of the Bankruptcy Code and to the extent provided by the Sale Orders and assuming receipt of all required consents and approvals (including Regulatory Approvals) from any Governmental Bodies or third parties, shall convey to the Purchaser at the time of the transfer of the Purchased Assets to the Purchaser and the filing of the Information Officer's Certificate) good and marketable title or a valid leasehold interest in and to each of the Purchased Assets free and clear of all Encumbrances (other than Permitted Encumbrances) and Liabilities (other than Assumed Liabilities). At Closing, the Allied Entities will have (and, to the extent permitted by Section 363 and Section 365 of the Bankruptcy Code and to the extent provided by the Sale Orders and assuming receipt of all required consents and approvals (including Regulatory Approvals) from any Governmental Bodies or third parties, shall convey to the Purchaser at the time of the transfer of the Purchased Assets to the Purchaser)

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valid leasehold interests in the Assumed Personal Property Leases and the Assumed Real Property Leases, free and clear of all Encumbrances (other than Permitted Encumbrances) and Liabilities (other than Assumed Liabilities). The Purchased Assets constitute all of the properties, assets and rights (other than the Excluded Assets) used by the Allied Entities or necessary for the Purchaser to conduct and operate the Business as currently conducted and operated by the Allied Entities. The Purchased Assets sold by each Canadian Seller constitutes all or substantially all of the property (other than Excluded Assets) used by such Canadian Seller in carrying on its business.

4.12 Real Property.

(a) Section 4.12(a) of the Seller Disclosure Schedule sets forth the street address of each Owned Real Property. The Allied Entities have good and marketable, indefeasible, fee simple title to the Owned Real Property subject to Permitted Encumbrances. Sellers have made available to the Purchaser true, correct and complete copies of the recorded deeds and other instruments by which the Allied Entities acquired the Owned Real Property, and true, correct and complete copies of all title insurance policies in favor of the Allied Entities.

(b) Section 4.12(b)(i) of the Seller Disclosure Schedule sets forth a complete and correct list of all Leased Real Property specifying the address or other information sufficient to identify all such Leased Real Property. Subject to Permitted Encumbrances, each Assumed Real Property Lease grants the Allied Entities the right to use and occupy the applicable Assumed Leased Real Property in accordance with the terms thereof. Except as set forth on Section 4.12(b)(ii) of the Seller Disclosure Schedule, the Allied Entities have not leased or granted to any Person the right to access, enter upon, use, occupy, lease, manage, operate, maintain, broker or purchase any portion of the Allied Entities' interest in the Leased Real Property, that is not otherwise an Assumed Liability or a Permitted Encumbrance or that will not otherwise be terminated on or prior to the Closing Date. Sellers have made available to the Purchaser complete copies of all Assumed Real Property Leases. With respect to each Assumed Real Property Lease, no Allied Entity owes any brokerage commissions or finder's fees with respect to any such Assumed Real Property Lease which is not paid or accrued in full.

(c) No material damage or destruction has occurred with respect to any Real Property for which an Allied Entity may be liable.

(d) Utilities and other services necessary for the operation of the premises leased pursuant to each Assumed Real Property Lease are available at such premises.

(e) Except for the Assumed Liabilities and Permitted Encumbrances, no Real Property that is included in the Purchased Assets is subject to (i) any Encumbrances, or (ii) any decree or order of a Governmental Body (or, to the Knowledge of Sellers, threatened decree or order of a Governmental Body) that would prevent the operation of such Real Property for the purposes for which it is currently being utilized.

4.13 Compliance with Law. Each Allied Entity is in compliance in all respects with all applicable Laws. No Allied Entity has received any written notice of any alleged violation of any Law applicable to it or them. No Allied Entity is in default in any respect of any order of

any Governmental Body applicable to the Purchased Assets or the transactions contemplated under this Agreement. None of the representations and warranties contained in this Section 4.13 shall be deemed to relate to Tax matters (which are governed by Section 4.14), employment matters (which are governed by Section 4.15), employee benefits matters (which are governed by Section 4.16) or environmental matters (which are governed by Section 4.19).

4.14 Tax Returns; Taxes. Except as set forth in Section 4.14 of the Seller Disclosure Schedule:

(a) All Tax Returns required to have been filed by the Allied Entities have been duly filed and are true, correct and complete in all material respects. No extension of time in which to file any such Tax Returns is in effect.

(b) All Taxes due and payable by the Allied Entities (whether or not shown on any Tax Return) have been paid in full or are accrued as Liabilities for Taxes on the books and records of the Allied Entities. The accruals and reserves with respect to Taxes (other than any reserve for deferred Taxes established to reflect timing differences between book and Tax income) are adequate to cover all Taxes of the Allied Entities accruing or payable with respect to Tax Periods (or portions thereof) ending before the Execution Date.

(c) No claims have been asserted in writing, no Taxes have been assessed and no proposals or deficiencies for any amount of Taxes of the Allied Entities are being asserted or, to the Knowledge of Sellers, are being proposed or threatened, and no audit or investigation of any Tax Return of the Allied Entities is currently underway, pending or, to the Knowledge of Sellers, threatened.

(d) Since January 1, 2011, no claim has been made against the Allied Entities by any Governmental Body in a jurisdiction where the Allied Entities do not currently file Tax Returns that the Allied Entities are or may be subject to taxation in such jurisdiction.

(e) The Allied Entities have withheld and paid all Taxes required to have been withheld and paid by them to the appropriate Government Body in connection with amounts paid or owing to any employee, independent contractor, creditor or shareholder thereof or other third party.

(f) There are no Encumbrances for Taxes with respect to the Allied Entities, or their respective assets, nor is there any such Encumbrance that, to the Knowledge of Sellers, is pending or threatened other than Permitted Encumbrances.

(g) None of the Allied Entities has executed or filed with any Governmental Body any agreement or waiver extending the period for assessment, reassessment or collection of any material Taxes. No Allied Entity has made an election, nor is any Allied Entity required, to treat any Purchased Asset as owned by another Person or as tax-exempt bond financed property or tax-exempt use property within the meaning of Section 168 of the Code or under any comparable provision of state or local Tax law.

(h) To the Knowledge of Sellers, none of the Allied Entities has any liability for Taxes of any other Person as a transferee or successor, by law or by contract other than any contract (except a contract which generally addresses tax sharing, tax indemnities or tax allocation) entered into in the ordinary course of business or pursuant to commercial lending arrangements.

(i) None of the Allied Entities has engaged in any "listed transaction" within the meaning of Treasury Regulations Section 1.6011-4(b).

(j) No Canadian Seller has been, and is not now a financial institution for the purposes of the Excise Tax Act (Canada). Each Canadian Seller is a registrant for the purposes of the *Excise Tax Act* (Canada) and its registrant number is set forth on Section 4.14 of the Seller Disclosure Schedule.

(k) The Canadian Sellers will have paid and satisfied all Canadian federal and provincial sales Taxes, goods and services Taxes, harmonized sales Taxes and other similar Taxes applicable to the Business operated by the Canadian Sellers or to the Purchased Assets sold by the Canadian Sellers (other than on the transfer thereof to the Purchaser) with respect to all periods prior to the Closing to the extent such Taxes are due and remittable on or before the Closing under applicable Law.

(l) None of the Purchased Assets constitutes "taxable Canadian property" for the purposes of the *Income Tax Act* (Canada) to an Allied Entity that is not a Canadian Seller.

(m) Each Canadian Seller is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

4.15 Employees. Except as set forth in Section 4.15 of the Seller Disclosure Schedule:

(a) Section 4.15(a) of the Seller Disclosure Schedule contains a true and correct list of the Employees as of the Execution Date, specifying their position and annual salary. The Allied Entities are in compliance in all material respects with all Laws relating to the employment and termination of employment of current and former Employees, and no Allied Entity has any direct or indirect material Liability with respect to any misclassification of any Person as an independent contractor rather than as an employee, or with respect to any Employee leased from another employer.

(b) Except as set forth in Section 4.15(b) of the Seller Disclosure Schedule or as contemplated by this Agreement, the Allied Entities do not presently intend to take any action that would result in a "mass layoff" or "plant closing" as defined in the WARN Act or similar employment Laws in other applicable jurisdictions (collectively, "Applicable Employment Legislation") between the Execution Date and the Closing Date. With respect to any Employment Loss that occurred within the one year preceding the Execution Date, the Allied Entities have complied with all of the requirements of the WARN Act or of other Applicable Employment Legislation.

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(c) There are no claims or proceedings pending or, to the Knowledge of Sellers, threatened, between the Allied Entities and any present or former Employee or group of present or former Employees. As of the Execution Date, there are no strikes, slowdowns, work stoppages, lockouts, or, to the Knowledge of Sellers,. threats thereof, by or with respect to any Employees of the Allied Entities.

(d) No Allied Entity is a party to or bound by, either directly or by operation of Law, any collective bargaining agreement, labor contract, letter of understanding, letter of intent, voluntary recognition agreement or similar agreement with any labor union, trade union or employee organization or group which may qualify as a trade union in respect of or affecting Employees or have any bargaining rights (whether acquired by certification, voluntary recognition or otherwise) with respect to Employees, nor, to the Knowledge of Sellers, is any Allied Entity subject to any union or employee association organization effort, nor is any Allied Entity engaged in any labor negotiation. There are no, and within the prior twelve (12) months there have not been any, (i) strikes, work stoppages, work slowdowns or lockouts pending or, to the Knowledge of Sellers, threatened against or involving any Allied Entity, or (ii) unfair labor practice charges, grievances or complaints pending or, to the Knowledge of Sellers, threatened by or on behalf of any present or former Employee or group of present or former Employees (or any Person acting on behalf of any such Employee or group of Employees). No Allied Entity has an obligation to make any severance or termination payment to any Employee in excess of any amount payable under applicable Law.

(e) The Allied Entities are in compliance in all material respects with all applicable Laws respecting labor, employment, employment practices and standards, fair employment practices, terms and conditions of employment, immigration, human rights, employment equity, pay equity, privacy, workers' compensation, Canada Pension Plan, employment insurance, employer health tax, occupational health and safety, plant closings and wages and hours. The Allied Entities have withheld all material amounts required by Law or by agreement to be withheld from the wages, salaries and other payments to Employees, and are not liable for any arrears of wages or any Taxes or any material penalty for failure to comply with any of the foregoing. To the Knowledge of Sellers, no Employees are in violation of any term of any employment Contract, non-disclosure agreement, noncompetition agreement, or any restrictive covenant to a former employer relating to the right of any such Employee to be employed by the Allied Entities because of the nature of the business conducted by the Allied Entities or to the use of trade secrets or proprietary information of others.

(f) All levies, assessments or other amounts owing under the *Workplace Safety and Insurance Act* (Ontario) and under the workers' compensation legislation of any other jurisdiction where the Allied Entities carry on business or employ Employees have been paid in full. The Allied Entities have not been and are not subject to any additional or penalty assessment under such legislation which has not been paid and have not been given notice of any audit. The accident cost experience of the Allied Entities is such that there are no pending nor, to the Knowledge of Sellers, potential assessments, experience rating charges or claims which could adversely affect the premium payments or accident cost experience in connection with the Business.

(g) There are no outstanding or, to the Knowledge of Sellers, threatened inspection orders, violations, investigations or prosecutions against any of the Allied Entities or the Business under any health and safety laws.

4.16 Assumed Plans. Except as provided in Section 4.16 of the Seller Disclosure Schedule:

(a) Each Assumed Plan is listed in Section 4.16(a) of the Seller Disclosure Schedule.

(b) Section 4.16(b) of the Seller Disclosure Schedule sets forth a list of each of the Assumed Plans which is a "multiemployer plan" (as defined in Section 3(37) of ERISA), a "multiple employer plan" (within the meaning of Section 413(c) of the Code), or a "multiple employer welfare arrangement" (as defined in Section 3(40)(A) of ERISA), or is or has been subject to Title IV of ERISA or Code Section 412 or 430 or is a "multi-employer pension plan" as defined in subsection 1(1) of the *Pension Benefits Act* (Ontario), or section 2 of the *Pension Benefits Act, 1985* (Canada) or in Section 11 of the *Supplemental Pension Plans Act* (Quebec) or a "negotiated contribution plan" as defined in section 2 of the *Pension Benefits Standards Act, 1985* (Canada).

(c) Each Assumed Plan has been established, registered (where required), administered and invested in accordance with its terms and in material compliance with all applicable Laws, except for any failures to do any of the foregoing that would not have or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Each Assumed Plan that is intended to be a "qualified plan" within the meaning of Section 401(a) of the Code ("Qualified Plan") and each trust that is intended to be exempt under Section 501 of the Code ("Exempt Trust") has received a determination letter or may rely upon an opinion letter from the Internal Revenue Service to the effect that such Qualified Plan is so qualified and such Exempt Trust is so exempt, and, to the Knowledge of Sellers, nothing has occurred since the date of the most recent Internal Revenue Service determination or opinion letter, as applicable, that would reasonably be expected to adversely affect the tax-qualified status of any Qualified Plan or the tax-exempt status of any Exempt Trust and have, individually or in the aggregate, a Material Adverse Effect.

(d) There is no action, order, writ, injunction, judgment or decree outstanding or proceeding, arbitral action, governmental audit, or investigation relating to, or seeking benefits under, any Assumed Plan that is pending or, to the Knowledge of Sellers, threatened against any of the Allied Entities (other than any claims for benefits under the Assumed Plans in the Ordinary Course of Business). None of the Allied Entities or, to the Knowledge of Sellers, any fiduciary of any Assumed Plan, has any material liability with respect to any transaction in violation of Sections 404 or 406 of ERISA or any "prohibited transaction," as defined in Section 4975(c)(1) of the Code, for which no exemption exists under Section 408 of ERISA or Section 4975(c)(2) or (d) of the Code.

(e) No Assumed Plan provides post-retirement or post-termination employee welfare benefits (including death, medical or health benefits) to or in respect of any Employees or former employees of the Allied Entities or their beneficiaries other than pursuant to COBRA

or other applicable Law. No Assumed Plan is subject to Title IV of ERISA, except as listed in Section 4.16(b) of the Seller Disclosure Schedule. All material contributions or premiums required to be made by the Allied Entities to or under each Assumed Plan have been made in a timely fashion in accordance with applicable Law, the terms of the applicable Assumed Plan and any applicable collective bargaining agreement.

(f) Section 4.16(f) of the Seller Disclosure Schedule sets forth a list of each of the Assumed Plans that is a "registered pension plan" or a "retirement compensation arrangement", each as defined under the *Income Tax Act* (Canada).

(g) The sole financial obligation of any Allied Entity in respect of any Canadian Assumed Plan is to make required contributions in the amounts and manner set forth in the applicable collective agreement, trust agreement or participation agreement. There is no Assumed Plan with respect to Employees of any Canadian Seller that is a defined benefit plan for which the Allied Entities are or, to Knowledge of Sellers, could reasonably be expected to be liable for a deficiency or any withdrawal liability.

(h) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby (whether alone or in conjunction with any other event) will result in forgiveness of Indebtedness or the acceleration or creation of any rights of any Person to benefits under any Assumed Plan (including the acceleration of the accrual or vesting of any benefits or payments under any such Assumed Plan or the acceleration or creation of any rights under any employment, severance, retention, parachute or change in control agreement the right to receive any transaction bonus or other similar payment) or the obligation to take action to secure any benefits or payment payable under any Assumed Plan.

4.17 Affiliate Matters. Except as set forth in Section 4.17 of the Seller Disclosure Schedule and except for any employment or severance agreements, the Assumed Retention Incentive Agreements, the Management Retention Incentive Agreements, any Seller Plans and any indemnification agreements with any directors or officers, no (a) shareholder, officer or director of the Allied Entities, (b) entity in which any such shareholder, officer or director owns any beneficial interest (other than any Allied Entity, any direct or indirect subsidiary of any Allied Entity, or a publicly held corporation whose stock is traded on a national securities exchange or in the over-the-counter market and less than five percent (5%) of the stock of which is beneficially owned by such shareholders, officers or directors in the aggregate), or (c) Affiliate of any of the foregoing (other than any Allied Entity or any direct or indirect subsidiary of any Allied Entity): (i) is a party to any Contract with, or relating to, the Allied Entities, their respective businesses, the Purchased Assets or the Assumed Liabilities; or (ii) owns any property (real, personal or mixed, tangible or intangible) used by the Allied Entities in the operation of the Business. Section 4.17 of the Seller Disclosure Schedule also sets forth a true, correct and complete list of all accounts receivable, notes receivable and other receivables and accounts payable owed to or due from any such Person described above by or to any Allied Entity but solely with respect to the Business except for any compensation payable to such officers or directors in their capacity as Employees in the Ordinary Course of Business or pursuant to any employment or severance agreements, the Assumed Retention Incentive Agreements, the

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Management Retention Incentive Agreements, any Seller Plans or any indemnification agreements.

4.18 Insurance Policies. All insurance policies owned or held by any Allied Entity related to or otherwise applicable to the Business (the "Insurance Policies") (or substitute policies with substantially similar terms and underwritten by insurance carriers with substantially similar or higher ratings) are in full force and effect, all premiums with respect thereto covering all periods up to and including the Closing Date have been paid (or will be paid prior to the Closing), and no written notice of cancellation or termination has been received by any Allied Entity with respect to any Insurance Policy. Except as set forth in Section 4.18 of the Seller Disclosure Schedule, there are no pending, or to the Knowledge of Sellers, threatened claims under any Insurance Policy.

4.19 Environmental Matters. To the Knowledge of Sellers (a) each Allied Entity is in compliance in all respects with all Environmental Laws, (b) there is no investigation, suit, claim, action or judicial or administrative proceeding relating to or arising under Environmental Laws that is pending or, to the Knowledge of Sellers, threatened against any Allied Entity, any Owned Real Property, any Leased Real Property or any of the other Purchased Assets, (c) none of the Owned Real Property or Leased Real Property has been listed on the federal National Priorities List under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or any other similar state list of known or suspected contaminated sites, (d) no Hazardous Materials have been treated, stored or Released by any Allied Entity or, to the Knowledge of the Sellers by any other Person at, on or under the Owned Real Property or Leased Real Property in any manner or concentration that requires investigation, removal or remediation under Environmental Laws or would otherwise cause any Allied Entity or any future owner or operator of any Owned Real Property or Leased Real Property to incur material liability under Environmental Laws, and (e) no Allied Entity has received any notice of or entered into any order, settlement, judgment, injunction or decree involving uncompleted, outstanding or unresolved obligations, liabilities or requirements relating to or arising under Environmental Laws.

4.20 Customers, Vendors and Suppliers. Section 4.20 of the Seller Disclosure Schedule sets forth a complete and accurate list of Top Customers and Top Suppliers and the amounts received by or paid to the Allied Entities from each such Top Customer and the amounts received by or paid to each such Top Supplier from the Allied Entities during the twelve month period ended April 30, 2013. "Top Customers" are the top twenty-four (24) customers that have purchased the most products or services from the Business, in terms of dollar amount, during the twelve month period ended April 30, 2013. "Top Suppliers" are the top fifty (50) vendors and/or suppliers that have sold the most products or services to the Business, in terms of dollar amount, during the twelve month period ended April 30, 2013. The Top Customers represent approximately 95% of the revenue earned by the Business during the twelve month period ended April 30, 2013. The Top Suppliers represent approximately 70% of the vendor and supplier expenses of the Business during the twelve month period ended April 30, 2013. No Top Customer or Top Supplier has given any Allied Entity notice terminating, canceling or reducing, or threatening to terminate, cancel or reduce, any Contract with Allied Entity. Except as set forth on Section 4.20 of the Seller Disclosure Schedule, no Top Customer or Top Supplier has

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proposed, or given any Allied Entity notice of its intention to propose, any price structure changes or any other changes (in each case that would be adverse to any Allied Entity) to any Contract with any Allied Entity, nor, to the Knowledge of Sellers, does any Top Customer or Top Supplier intend to propose a change to the price structure (that would be adverse to any Allied Entity) of any such Contract or any other change (that would be adverse to any Allied Entity) to any such Contract.

4.21 Accounts Receivable. The Allied Entities have provided reserves for Accounts Receivable in accordance with GAAP and Allied's accounting policies as consistently applied in the Ordinary Course of Business by the Allied Entities. All Accounts Receivable represent valid obligations arising from bona fide business transactions in the Ordinary Course of Business.

4.22 Capital Expenditures. Sellers have made available to the Purchaser the most recent capital spending plans as of the Execution Date of the Allied Entities relating to the Business or the Purchased Assets.

4.23 Budget. The Budget sets forth Sellers' expectations regarding the matters set forth therein, and is based upon the good faith estimates and assumptions made by the management of the Allied Entities.

4.24 Absence of Undisclosed Liabilities. Except as set forth in Section 4.24 of the Seller Disclosure Schedule, the Allied Entities do not have any Liabilities, except (i) Liabilities reflected on the liabilities side of the balance sheets of the Allied Entities as of December 31, 2012, (ii) Liabilities that have arisen after December 31, 2012 in the Ordinary Course of Business or otherwise in accordance with the terms and conditions of this Agreement and which are not material, individually or in the aggregate, (iii) Liabilities that are or will be Excluded Liabilities; and (iv) payment obligations of the Allied Entities that have not accrued or been incurred, and non-payment performance obligations of the Allied Entities, in each case, under Contracts entered into in the Ordinary Course of Business and in compliance with applicable Law.

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4.25 Foreign Subsidiary Financial Statements.

(a) Sellers have made available to the Purchaser true and correct copies of the Foreign Subsidiary Financial Statements. Each balance sheet included in the Foreign Subsidiary Financial Statements presents fairly in all material respects the financial position of the relevant Foreign Subsidiary as of the date thereof, subject in the case of any unaudited balance sheets to the absence of footnotes and similar presentations items and year-end audit adjustments normal in nature and amount. The other financial statements included in the Foreign Subsidiary Financial Statements present fairly the results of the operations of the relevant Foreign Subsidiary for the periods therein set forth, subject in the case of any unaudited balance sheets to the absence of footnotes and similar presentations items and year-end audit adjustments normal in nature and amount. The Foreign Subsidiary Financial Statements have been prepared and presented in accordance with GAAP consistently applied during the periods therein (except as noted therein and for the absence of footnotes and similar presentation items and year-end audit adjustments normal in nature and amount).

(b) Except as set forth in Section 4.25 of the Seller Disclosure Schedule or in the Foreign Subsidiary Financial Statements, no Foreign Subsidiary has outstanding any indebtedness, nor has it engaged in any "off balance sheet" or similar financing, of a type which would not be required to be shown or reflected in the Foreign Subsidiary Financial Statements.

4.26 No Other Representations or Warranties. Except for the representations and warranties contained in this Article IV (as modified by the Seller Disclosure Schedule), no Seller nor any other Person has made or is making any express or implied representation or warranty with respect to the Allied Entities, the Business, the Purchased Assets, the Assumed Liabilities or the transactions contemplated by this Agreement, and Sellers disclaim any other representations or warranties, whether made by Sellers, any Affiliate of Sellers or any of their respective Representatives. Except for the representations and warranties contained in this Article IV (as modified by the Seller Disclosure Schedule), Sellers expressly disclaim and negate any representation or warranty, expressed or implied, at common law, by statute, or otherwise, relating to the condition of the Purchased Assets (including any implied or express warranty of merchantability or fitness for a particular purpose). Sellers make no representations or warranties to the Purchaser regarding the probable success or profitability of the Business.

ARTICLE V.

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser hereby makes the representations and warranties in this Article V to Sellers as of the Execution Date (except with respect to representations and warranties made as of a particular date, which shall be deemed to be made only as of such date), except as qualified or supplemented by Sections in the Purchaser Disclosure Schedule attached hereto:

5.1 Organization and Qualification. The Purchaser is a limited liability company duly organized, validly existing and in good standing under the Laws of its jurisdiction of formation. The Purchaser is qualified and in good standing as a foreign entity in each jurisdiction where the

properties owned, leased or operated, or the business conducted by it require such qualification except as would not have or reasonably be expected to have a material adverse effect on the Purchaser's ability to consummate the transactions contemplated by this Agreement. The Purchaser has all requisite limited liability company power and authority to own its properties and to carry on its business as it is now being conducted except as would not have or reasonably be expected to have a material adverse effect on the Purchaser's ability to consummate the transactions contemplated by this Agreement.

5.2 Authority Relative to This Agreement. The Purchaser has the requisite limited liability company power and authority to (a) execute and deliver this Agreement, (b) execute and deliver each other agreement, document, instrument or certificate contemplated by this Agreement or to be executed by the Purchaser in connection with the consummation of the transactions contemplated hereby and thereby, which are set forth on Section 5.2 of the Purchaser Disclosure Schedule attached hereto (the "Purchaser's Documents"), and (c) perform its obligations hereunder and thereunder and consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by the Purchaser of this Agreement and each applicable Purchaser's Document have been duly authorized by all necessary limited liability company action on behalf of the Purchaser. This Agreement has been, and at or prior to the Closing each applicable Purchaser's Document will be, duly and validly executed and delivered by the Purchaser and (assuming the due authorization, execution and delivery by the other parties hereto and thereto) this Agreement constitutes, and each the Purchaser's Document when so executed and delivered will constitute, legal, valid and binding obligations of the Purchaser, enforceable against the Purchaser in accordance with their respective terms, subject to the Bankruptcy Exceptions.

5.3 Consents and Approvals; No Violation.

(a) Except as set forth on Section 5.3(a) of the Purchaser Disclosure Schedule, none of the execution and delivery by the Purchaser of this Agreement or the Purchaser's Documents, the consummation of the transactions contemplated hereby or thereby, or the compliance by the Purchaser with any of the provisions hereof or thereof will conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of acceleration, payment, amendment, termination or cancellation under any provision of (i) the governing documents of the Purchaser, (ii) any Contract (including but not limited to any Contracts related to financing) or Permit to which the Purchaser is a party or by which the Purchaser or its properties or assets are bound, (iii) any order of any Governmental Body applicable to the Purchaser or by which any of the properties or assets of the Purchaser are bound, or (iv) any applicable Law, other than (x) under the Antitrust Laws, or (y) in the case of clauses (ii), (iii), and (iv), except as would not have or reasonably be expected to have a material adverse effect on the Purchaser's ability to consummate the transactions contemplated by this Agreement.

(b) Except for the Antitrust Laws and except as set forth on Section 5.3(b) of the Purchaser Disclosure Schedule, no consent, waiver, approval, order, Permit or authorization of, or declaration or filing with, or notification to, any Governmental Body or other Person nor any other Regulatory Approval is required on the part of the Purchaser in connection with the

execution and delivery of this Agreement or the Purchaser's Documents, the compliance by the Purchaser with any of the provisions hereof or thereof, the consummation of the transactions contemplated hereby or thereby or the taking by the Purchaser of any other action contemplated hereby or thereby, or for the Purchaser to operate the Purchased Assets, except for (i) such orders, Permits, declarations, filings and notifications as may be required under the Antitrust Laws, and (ii) such other orders, Permits, declarations, filings and notifications, the failure of which to obtain or make would not have or reasonably be expected to have a material adverse effect on the Purchaser's ability to consummate the transactions contemplated by this Agreement.

5.4 Brokers and Finders. The Purchaser has not employed, and to the knowledge of the Purchaser, no other Person has made any arrangement by or on behalf of the Purchaser with, any investment banker, broker, finder, consultant or intermediary in connection with the transactions contemplated by this Agreement which would be entitled to any investment banking, brokerage, finder's or similar fee or commission in connection with this Agreement or the transactions contemplated hereby.

5.5 Adequate Assurances Regarding Assigned Contracts. As of the Closing, the Purchaser will be capable of satisfying the conditions contained in Sections 365(b)(1)(C) and 365(f) of the Bankruptcy Code with respect to the Assigned Contracts.

5.6 Litigation. Except as set forth on Section 5.6 of the Purchaser Disclosure Schedule, there is no Action pending against the Purchaser or any of its Affiliates that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

5.7 Financing.

(a) The Purchaser will have at the Closing sufficient cash or other sources of immediately available funds to enable it to pay all amounts to be paid in cash by it hereunder.

(b) On or prior to the date on which the Bidding Procedures Order is entered, the Purchaser shall deliver to Sellers executed commitment letters pursuant to which, and subject to the terms and conditions thereof, the parties thereto have committed to provide the financing set forth therein for the purpose of funding the cash consideration identified in Section 2.1(a)(i) and Section 2.1(a)(ii).

5.8 Credit Bid Rights. Administrative Agents have assigned to the Purchaser the right to "credit bid" under the First Lien Credit Agreement and the First Lien Credit Documents and authorized the Purchaser to make the Claim Contribution.

5.9 No Other Representations or Warranties; Investigation. Notwithstanding anything contained in this Agreement to the contrary, the Purchaser acknowledges and agrees that no Seller is making any representations or warranties whatsoever, express or implied, beyond those expressly given by Sellers in Article IV (as modified by the Seller Disclosure Schedule), and the Purchaser acknowledges and agrees that, except for the representations and warranties contained therein, the Purchased Assets and Assumed Liabilities are being transferred on an "as is" and "where is" basis. The Purchaser further represents that no Seller or any of its

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Affiliates or any other Person has made any representation or warranty, express or implied, as to the accuracy or completeness of any information regarding Sellers or any of their Affiliates, the Business or the transactions contemplated by this Agreement not expressly set forth in this Agreement. The Purchaser acknowledges that it has conducted to its satisfaction its own independent review and analysis of the Business, the Purchased Assets and the Assumed Liabilities, of the value of such Purchased Assets and of the business, operations, technology, assets, Liabilities, financial condition and prospects of the Business, and the Purchaser acknowledges that Sellers have provided the Purchaser with access to the personnel, properties, premises and records of the Business for this purpose. The Purchaser has conducted its own independent review of all orders of, and all motions, pleadings, and other submissions to, the Bankruptcy Courts in connection with the Bankruptcy Cases. In entering into this Agreement and in making the determination to proceed with the transactions contemplated by this Agreement, the Purchaser has relied upon its own investigation and analysis as well as the representations and warranties made by Sellers in Article IV (as modified by the Seller Disclosure Schedule).

ARTICLE VI.

EMPLOYEES

6.1 Employees. Effective as of the Closing, the Purchaser or a Designated Purchaser (the "Employment Offering Purchaser Entity") shall offer employment to such of the Employees and on such terms and conditions of employment as Purchaser shall determine in its sole discretion, except to the extent otherwise required by applicable employment Laws. Each Employee to whom the Employment Offering Purchaser Entity has made an offer of employment pursuant to this Section 6.1 and that has accepted such offer and commences employment with the Employment Offering Purchaser Entity on or shortly following the Closing Date is hereinafter referred to as a "Transferred Employee". All accrued but unpaid compensation of each Transferred Employee as of the Closing shall be the responsibility of the Employment Offering Purchaser Entity.

6.2 Seller Plans. Sellers shall retain all Liabilities with respect to the Excluded Plans. Purchaser shall assume all Liabilities with respect to the Assumed Plans.

6.3 WARN Act.

(a) Subject to Section 6.3(c), Sellers shall be solely responsible for any obligations under the WARN Act or under any Applicable Employment Legislation that might arise on or prior to the Closing, including as a consequence of the transactions contemplated by this Agreement as a result of the Purchaser's employment offer(s) and/or decision(s) not to employ certain Employees, including providing any notice of layoff or plant closing, or maintaining the Employees on Sellers' or the Employment Offering Purchaser Entity's payroll, as applicable, for any period of notice required by the WARN Act or Applicable Employment Legislation.

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(b) Sellers shall, with the Purchaser's consent, which consent shall not be unreasonably withheld, take all actions and provide all notices to Employees as required under WARN or Applicable Employment Legislation or as reasonably requested by the Purchaser.

(c) If Sellers are unable to comply with their obligations under the WARN Act or under any Applicable Employment Legislation prior to the Closing solely because Purchaser has not provided Sellers a sufficient period of time to comply with such obligations prior to the Closing, Purchaser must either (i) elect to delay the Closing until Sellers have fully complied with such obligations; provided that the Purchaser may not delay the Closing to a date later than the maturity date of the DIP Credit Agreement; or (ii) elect to assume (and be solely responsible for) such obligations.

6.4 No Third-Party Beneficiaries. Notwithstanding anything set forth in this Article VI, nothing contained herein, whether express or implied, (i) shall be treated as an amendment or other modification of any Seller Plan or (ii) shall limit the right of (A) any Employment Offering Purchaser Entity to amend, terminate or otherwise modify any Assumed Plan following the Closing Date or (B) any Seller to amend, terminate or otherwise modify any Excluded Plans following the Closing Date. Sellers and the Purchaser acknowledge and agree that all provisions contained in this Article VI with respect to current or former employees of Sellers are included for the sole benefit of Sellers and the Employment Offering Purchaser Entities, and that nothing herein, whether express or implied, shall create any third party beneficiary or other rights (i) in any other Person, including any current or former employees, directors, officers or consultants of Sellers, any participant in any Seller Plan, or any dependent or beneficiary thereof, or (ii) to continued employment with any Employment Offering Purchaser Entity.

6.5 Information. To the extent permitted by applicable Laws, Sellers shall make available to each Employment Offering Purchaser Entity information in Sellers' possession relating to each Transferred Employee of Seller as such Employment Offering Purchaser Entity may reasonably require in connection with its employment or engagement of such individuals, including initial employment dates, termination dates, reemployment dates, hours of service, compensation and tax withholding history in a form that shall be usable by such Employment Offering Purchaser Entity; *provided, however*, Sellers shall not provide certain Transferred Employee personal information (*e.g.*, Social Security numbers, medical information, other personal information, etc.) without advance written permission from the Transferred Employee.

6.6 Service Credit. The Employment Offering Purchaser Entity shall, or shall cause one or more of its subsidiaries to, provide Transferred Employees with service credit under the Purchaser's benefit plans in which the Transferred Employees become eligible to participate based on such Transferred Employees' service with Sellers (or any other service for which any Seller gave such Transferred Employee credit) for purposes of eligibility, participation, vesting and benefit accrual (other than under any defined benefit plan whether qualified or non-qualified); *provided, however*, that there shall be no duplication by the Employment Offering Purchaser Entity of any benefits provided by Sellers. The Employment Offering Purchaser Entity also shall, or shall cause one or more of its subsidiaries to, credit Transferred Employees the amount of vacation and paid time off that such Transferred Employees had accrued under any applicable plan of any Seller as of the Closing Date.

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6.7 Welfare Plans. With respect to any welfare benefit plans maintained by the Purchaser or its applicable subsidiaries for the benefit of Transferred Employees on and after the Closing Date, the Employment Offering Purchaser Entity shall, or shall cause one or more of its subsidiaries to, use its reasonable best efforts to (a) give credit in determining any deductible limitations, co-payments and out of pocket maximums to any amounts paid by such Transferred Employees under Sellers' welfare plans for the calendar year in which the Closing Date occurs with respect to similar welfare benefit plans maintained by the Employment Offering Purchaser Entity or one or more of its subsidiaries in which such Transferred Employees participate, (b) with respect to any health benefit plans maintained by the Employment Offering Purchaser Entity or its applicable subsidiaries, waive or cause to be waived eligibility waiting periods, evidence of insurability requirements or pre-existing condition limitations or exclusions with respect to the Transferred Employees' participation in any such health benefit plans,[1] and (c) give such Transferred Employees credit for any unused contributions as of the Closing Date with respect to any health care or dependent care spending accounts of Sellers; *provided* that the amount of any unused contribution are transferred to the Employment Offering Purchaser Entity.

6.8 Rollovers. The Employment Offering Purchaser Entity shall, or shall cause one or more of its subsidiaries to, amend its 401(k) plan(s) to permit Transferred Employees to make rollover contributions to a 401(k) plan of the Purchaser of any direct rollover distributions, within the meaning of Section 401(a)(31) of the Code, from any 401(k) plan of Sellers, and such rollover contribution may include promissory notes for loans made to such Transferred Employees under the terms of Sellers' 401(k) plan(s).

6.9 Payroll Withholding. With respect to Transferred Employees, Sellers will provide the Purchaser with all payroll, withholding and other information necessary to complete Forms W-2 and W-3 in accordance with the "alternative procedure" described in Revenue Procedure 2004-53 (or Canadian equivalent), and the Purchaser agrees to complete such forms, and take withholdings, for the Transferred Employees for the calendar year in which the Closing Date occurs in accordance with such "alternative procedure."

6.10 FMLA Information. Prior to the Closing, Sellers will provide the Purchaser a true, correct and complete list of (i) each Employee who is eligible to request FMLA leave as of the Closing Date and the amount of FMLA leave utilized by each such employee during the current leave year; (ii) each Employee who will be on FMLA leave at the Closing Date and his or her job title and description, salary and benefits; and (iii) each Employee who has requested FMLA leave to begin after the Closing Date, a description of the leave requested and a copy of all notices provided to such employee regarding such leave.

6.11 Communications. No Seller nor any Representative of Sellers shall make any communication to Employees regarding any Purchaser Benefit Plan or any compensation or benefits to be provided after the Closing Date without the advance approval of the Purchaser.

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[1] Check with insurance specialists

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ARTICLE VII.

BANKRUPTCY COURT MATTERS

7.1 Bankruptcy Court Approval of the Bidding Procedures Order and Sale Orders; Determination of Cure Costs.

(a) Sellers hereby confirm that it is integral to the process of arranging an orderly sale of the Purchased Assets to proceed by selecting the Purchaser as the "stalking horse" bidder, subject to (i) approval and/or recognition from the Bankruptcy Courts and (ii) any higher or better offers that may be obtained by Sellers for all of the Purchased Assets owned by them. Sellers acknowledge that the contributions of the Purchaser to the process have provided substantial benefit to the estate of Sellers and that the Purchaser would not have invested the effort in negotiating and documenting the transaction provided for herein and incurring obligations to pay its outside advisers if the Purchaser were not entitled to reimbursement of its Transaction Expenses incurred or arising through and including the date that this Agreement is validly terminated by Sellers or the Purchaser pursuant to Section 3.4, on the terms set forth in this Section 7.1(a) (the "Purchaser's Expense Reimbursement"). Subject to U.S. Bankruptcy Court approval of the Bidding Procedures Order and the recognition thereof by the Canadian Court, the Purchaser's Expense Reimbursement shall be payable to the Purchaser in the event that this Agreement is terminated pursuant to Section 3.4(b), Section 3.4(d), Section 3.4(e), Section 3.4(g), Section 3.4(i) or Section 3.4(k); provided, however, that the Purchaser's Expense Reimbursement shall not be payable if the Purchaser's failure to fulfill any material obligation under this Agreement has been the cause of, or resulted in, the event giving rise to the right of termination. The payment of the Purchaser's Expense Reimbursement, if payable in accordance with the foregoing, (i) shall be paid directly to the Purchaser upon the closing of any Alternative Transaction (or in the case of a termination pursuant to Section 3.4(e) or Section 3.4(k), promptly upon written demand) and the Bidding Procedures Order shall establish that payment of the Purchaser's Expense Reimbursement shall be a condition precedent to the closing of such Alternative Transaction, and (ii) unless and until paid, the Bidding Procedures Order shall establish that the Purchaser's Expense Reimbursement shall constitute super-priority administrative expenses of Sellers under Sections 503(b) and 507 of the Bankruptcy Code. The Purchaser's Expense Reimbursement shall be the joint and several obligation of Sellers. As used herein, "Transaction Expenses" means the reasonable and documented, out-of-pocket costs, expenses, disbursements and charges (including reasonable and documented fees and expenses of legal counsel, financial advisors and other professionals reasonably retained by the Purchaser, and any filing fees, in each case, based upon invoices, in summary form, redacted to preserve attorney-client privilege and work product protection) incurred by the Purchaser or any of its Affiliates in connection with or relating to the negotiation, preparation and/or implementation of this Agreement and/or any of the transactions contemplated by this Agreement (whether incurred or arising before, on or after the Execution Date); *provided* that Transaction Expenses shall not exceed Three Million Dollars ($3,000,000).

(b) Contemporaneously with the execution of this Agreement, Sellers shall file and serve a motion (the "U.S. Sale Motion") with the U.S. Bankruptcy Court, in the form attached hereto as Exhibit C, seeking:

(i) An order in the form attached hereto as Exhibit D, with any amendments or modifications that may be required by the U.S. Bankruptcy Court (the "Bidding Procedures Order"):

(1) scheduling a hearing before the U.S. Bankruptcy Court (the "Sale Hearing") to consider approval of the proposed sale (the "Sale") of the Purchased Assets by Sellers to the Purchaser or another Successful Bidder following an Auction pursuant to this Agreement;

(2) establishing the objection deadline in connection with the proposed Sale;

(3) approving the form of, and notice procedures relating to, the notice of the Auction and Sale Hearing and the notice of assumption and assignment of executory Contracts as part of the Sale;

(4) scheduling an Auction to the extent that Sellers receive additional higher and/or otherwise better offers for the Purchased Assets;

(5) approving the Purchaser's Expense Reimbursement in accordance with Section 7.1(a);

(6) approving the bidding procedures (the "Bidding Procedures") set forth in the Bidding Procedures Order; and

(ii) upon completion of the Sale Hearing, the entry of the U.S. Sale Order;

(c) Within two (2) Business Days of the issuance of the Bidding Procedures Order, Allied, as foreign representative in the CCAA Case, shall file a motion seeking an order from the Canadian Court substantially in the form attached as Exhibit F recognizing the Bidding Procedures Order which motion shall be scheduled to be heard by the Canadian Court within five (5) Business Days of the issuance of the Bidding Procedures Order by the U.S. Bankruptcy Court (subject to court availability).

(d) Within two (2) Business Days of the issuance of the U.S. Sale Order, Allied, as foreign representative in the CCAA Case, shall file a motion seeking an order from the Canadian Court substantially in the form attached as Exhibit G recognizing the U.S. Sale Order and vesting the Purchased Assets of the Canadian Sellers in the Purchaser, which motion shall be scheduled to be heard by the Canadian Court within five (5) Business Days of the entry of the U.S. Sale Order (subject to court availability).

(e) In the event an appeal is taken or a stay pending appeal is requested, with respect to the Sale Orders, (i) Sellers shall promptly notify the Purchaser of such appeal or stay request and shall promptly provide to the Purchaser a copy of the related notice of appeal or order of stay and (ii) the parties shall promptly defend such appeal with reasonable diligence.

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Sellers shall also provide the Purchaser with written notice of any motion or application filed in connection with any appeal from either of such orders.

(f) The Purchaser acknowledges that to obtain authorization of the U.S. Bankruptcy Court for the Sale Order, Sellers must demonstrate that they have taken reasonable steps to obtain the highest or otherwise best offer possible for the Purchased Assets, and that such demonstration shall include giving notice of the transactions contemplated by this Agreement to its creditors and interested parties as ordered by the U.S. Bankruptcy Court, and, if necessary, conducting an Auction in respect of the Purchased Assets and that Sellers may enter into a definitive agreement for the sale of the Purchased Assets, and consummate the sale of the Purchased Assets to any such prospective buyer. From and after the date on which the U.S. Bankruptcy Court enters the Bidding Procedures Order, Sellers and their agents may solicit bids from other prospective buyers for the sale of the Purchased Assets, respond to any inquiries or offers to purchase all or any part of the Purchased Assets, and supply information relating to the Business and the Purchased Assets to prospective buyers, in each case subject to confidentiality agreements and in accordance with any relevant procedures set forth in this Agreement and, if entered, the Bidding Procedures Order. For the avoidance of doubt, (i) Sellers shall neither solicit bids from other prospective buyers for the sale of the Purchased Assets, nor respond to inquiries or offers to purchase all or any part of the Purchased Assets, nor supply information relating to the Business, between the Execution Date and the date on which the Bidding Procedures Order is entered, and (ii) no provision of this Agreement shall limit the ability of Sellers to enter into any agreement to sell all or any portion of the Purchased Assets to the winning bidder in the Auction.

(g) No later than twenty (20) days prior to the Sale Hearing, Sellers shall file a motion (the "Assumption and Assignment Motion") with the U.S. Bankruptcy Court seeking the entry of an order (the "Assumption and Assignment Order") authorizing and approving the assumption and assignment of the Assigned Contracts under Section 365 of the Bankruptcy Code and, within five (5) Business Days of the filing of the Assumption and Assignment Motion, file a motion before the Canadian Court seeking the recognition of the Assumption and Assignment Order. The Assumption and Assignment Motion shall contain Sellers' information regarding the alleged Cure Cost for each Assigned Contract (as set forth on Sellers' books and records), and shall request that the U.S. Bankruptcy Court determine the Cure Cost for each Assigned Contract. The Assumption and Assignment Motion shall contain procedures for the resolution of any dispute regarding the Cure Cost for any Assigned Contract in form and substance acceptable to Purchaser.

ARTICLE VIII.

COVENANTS AND AGREEMENTS

8.1 Conduct of Business of Allied Entities.

(a) During the period from the Execution Date and continuing until the earlier of the termination of this Agreement in accordance with Section 3.4 or the Closing, except (1) for any limitations on operations imposed by, or actions required by, the Bankruptcy Courts or the Bankruptcy Code, (2) as required by applicable Law, (3) as otherwise expressly

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contemplated by this Agreement or as set forth on Schedule 8.1 or (4) with the prior written consent of the Purchaser, each Seller shall (and shall cause each Allied Entity controlled by such Seller to):

(i) conduct the Business and operate and maintain the Purchased Assets in the Ordinary Course of Business and in compliance with the Capital Expenditure Covenants;

(ii) use its commercially reasonable efforts to (x) preserve the goodwill of and relationships with Governmental Bodies, customers, suppliers, vendors, lessors, licensors, licensees, contractors, distributors, agents, Employees and others having business dealings with the Business; and (y) comply with all applicable Laws and, to the extent consistent therewith, preserve their assets (tangible and intangible).

(b) During the period from the Execution Date and continuing until the earlier of the termination of this Agreement in accordance with Section 3.4 or the Closing, except (i) for any limitations on operations imposed by, or actions required by, the Bankruptcy Courts or the Bankruptcy Code, (ii) as required by applicable Law, (iii) as otherwise expressly contemplated by this Agreement or as set forth on Section 8.1 of the Seller Disclosure Schedule, or (iv) with the prior written consent of the Purchaser, each Allied Entity shall not take any of the actions or enter into any Contract to do anything set forth in Section 4.5 (other than with respect to matters listed in Section 4.5(p) or Section 4.5(h); it being understood and agreed that Sellers shall promptly notify the Purchaser in writing if any event, circumstance or fact of the type described in in Section 4.5(p) or Section 4.5(h) arises during the period from the Execution Date until the earlier of the termination of this Agreement in accordance with Section 3.4 or the Closing); provided that the $500,000 figure in Section 4.5(q) shall be deemed to be $250,000 for purposes of this Section 8.1

(c) Promptly after the Closing Date, Sellers will (i) revoke any filing, that they may have made heretofore with any Governmental Body relating to their use of the Purchased Names and of any like names or combinations of words or derivations thereof; (ii) at their expense, prepare and file with the appropriate Governmental Body appropriate documents, including, but not limited to, articles of amendment, changing their name so as to effectuate the same and promptly deliver evidence of such name change to the Purchaser; and (iii) cease using the Purchased Names and any derivations thereof.

8.2 Access to Information.

(a) Each Seller agrees that, between the Execution Date and the earlier of the Closing Date and the date on which this Agreement is terminated in accordance with Section 3.4, the Purchaser shall be entitled, through its Representatives, to have such reasonable access to and make such reasonable investigation and examination of the books and records, properties, businesses, assets, Employees, accountants, auditors, counsel and operations of the Allied Entities as the Purchaser's Representatives may reasonably request; provided that Sellers shall be entitled to redact any such materials and/or restrict such access to the extent necessary to avoid violation of any antitrust or other similar competition Laws (it being understood that Sellers do not believe any such Laws would be violated as a result of providing such materials or access to

the Purchaser). Any such investigations and examinations shall be conducted during regular business hours upon reasonable advance notice and under reasonable circumstances and shall be subject to restrictions under applicable Law. Pursuant to this Section 8.2, Sellers shall make available to the Purchaser and its Representatives a list of the Accounts Receivable as of the last day of the month immediately preceding the month in which Closing occurs as well as such financial, operating and property related data and other information as such Persons reasonably request. Each Seller shall use commercially reasonable efforts to cause its Representatives and each Allied Entity controlled by such Seller to reasonably cooperate with the Purchaser and the Purchaser's Representatives in connection with such investigations and examinations, and the Purchaser shall, and use its commercially reasonably efforts to cause its Representatives to, reasonably cooperate with such Sellers and their respective Representatives and shall use their commercially reasonable efforts to minimize any disruption to the Business.

(b) From and after the Closing Date, Sellers shall give the Purchaser and the Purchaser's Representatives reasonable access during normal business hours to the offices, facilities, plants, properties, assets, Employees, Documents (including, without limitation, any Documents included in the Excluded Assets), personnel files and books and records of the Allied Entities pertaining to the Business. In connection with the foregoing, each Seller shall use commercially reasonable efforts to cause its Representatives and each Allied Entity controlled by such Seller to make available to the Purchaser such financial, technical, operating and other information pertaining to the Business, as the Purchaser's Representatives shall from time to time reasonably request and to discuss such information with such Representatives. It is understood and agreed that nothing in this Section 8.2(b) shall be deemed as an obligation on the part of Sellers to maintain any offices, facilities, plants, properties, assets, Employees, Documents (including, without limitation, any Documents included in the Excluded Assets), personnel files and books and records of the Allied Entities pertaining to the Business after the Closing.

(c) No information received pursuant to an investigation made under this Section 8.2 shall be deemed to (i) qualify, modify, amend or otherwise affect any representations, warranties, covenants or other agreements of Sellers set forth in this Agreement or any certificate or other instrument delivered to the Purchaser in connection with the transactions contemplated hereby, (ii) amend or otherwise supplement the information set forth in the Seller Disclosure Schedule, (iii) limit or restrict the remedies available to the parties under applicable Law arising out of a breach of this Agreement or otherwise available at Law or in equity, or (iv) limit or restrict the ability of either party to invoke or rely on the conditions to the obligations of the parties to consummate the transactions contemplated by this Agreement set forth in Article IX.

8.3 Assignability of Certain Contracts, Etc. To the extent that the assignment to the Purchaser of any Assigned Contract pursuant to this Agreement is not permitted without the consent of a third party and such restriction cannot be effectively overridden or canceled by the Sale Orders or other related order of the Bankruptcy Courts, then this Agreement will not be deemed to constitute an assignment of or an undertaking or attempt to assign such Assigned Contract or any right or interest therein unless and until such consent is obtained; *provided, however*, that the parties hereto will use their commercially reasonable efforts, before the

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Closing, to obtain all consents of such third parties that cannot be effectively overridden or canceled by the Sale Orders or other related order of the Bankruptcy Courts; *provided, further*, that if any such consents are not obtained prior to the Closing Date, Sellers and the Purchaser will reasonably cooperate with each other in any lawful and feasible arrangement designed to provide the Purchaser (such arrangement to be at the sole cost and expense of the Purchaser) with the benefits and obligations of any such Assigned Contract.

8.4 Rejected Contracts. No Seller shall reject any Assigned Contract in any bankruptcy proceeding following the Execution Date without the prior written consent of the Purchaser.

8.5 Further Agreements. The Purchaser authorizes and empowers Sellers from and after the Closing Date to receive and to open all mail received by Sellers relating to the Purchased Assets, the Business or the Assumed Liabilities and to deal with the contents of such communications in accordance with the provisions of this Section 8.5. Each of Sellers shall (i) promptly deliver to the Purchaser or the applicable Designated Purchaser any mail or other communication received by them after the Closing Date and relating to the Purchased Assets, the Business or the Assumed Liabilities, (ii) promptly transfer in immediately available funds to the Purchaser or the applicable Designated Purchaser any cash, electronic credit or deposit received by such Seller but solely to the extent that such cash, electronic credit or deposit are Purchased Assets and (iii) promptly forward to the Purchaser or the applicable Designated Purchaser any checks or other instruments of payment that it receives but solely to the extent that such checks or other instruments are Purchased Assets. The Purchaser or the applicable Designated Purchaser shall (x) promptly deliver to Sellers any mail or other communication received by it after the Closing Date and relating to the Excluded Assets or the Excluded Liabilities, (y) promptly wire transfer in immediately available funds to Sellers, any cash, electronic credit or deposit received by the Purchaser or the applicable Designated Purchaser but solely to the extent that such cash, electronic credit or deposit are Excluded Assets and (z) promptly forward to Sellers any checks or other instruments of payment that it receives but solely to the extent that such checks or other instruments are Excluded Assets. From and after the Closing Date, Sellers shall refer all inquiries with respect to the Business, the Purchased Assets and the Assumed Liabilities to the Purchaser or the applicable Designated Purchaser, and the Purchaser or the applicable Designated Purchaser shall refer all inquiries with respect to the Excluded Assets and the Excluded Liabilities to Sellers.

8.6 Further Assurances.

(a) Subject to the terms and conditions of this Agreement and applicable Law, Sellers and the Purchaser shall use their respective commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement as soon as practicable, and shall coordinate and cooperate with each other in exchanging information, keeping the other party reasonably informed with respect to the status of the matters contemplated by this Section 8.6 and supplying such reasonable assistance as may be reasonably requested by the other party in connection with the matters contemplated by this Section 8.6. Without limiting the foregoing, following the Execution Date and until the date on which this

Agreement is terminated in accordance with Section 3.4, the parties shall use their commercially reasonable efforts to take the following actions but solely to the extent that such actions relate to the transactions contemplated by this Agreement:

(i) obtain any required consents, approvals (including Regulatory Approvals), waivers, Permits, authorizations, registrations, qualifications or other permissions or actions by, and give all necessary notices to, and make all filings with, and applications and submissions to, any Governmental Body or third party and provide all such information concerning such party as may be necessary or reasonably requested in connection with the foregoing (other than any consents, approvals, waivers, authorizations or notices that can be overridden or canceled by the Sale Orders or other related order of the Bankruptcy Courts);

(ii) avoid the entry of, or have vacated or terminated, any injunction, decree, order, or judgment that would restrain, prevent, or delay the consummation of the transactions contemplated hereby;

(iii) take any and all reasonably necessary steps to avoid or eliminate every impediment under any applicable Law that is asserted by any Governmental Body with respect to the transactions contemplated hereby so as to enable the consummation of such transactions to occur as expeditiously as possible; and

(iv) at or following the Closing, execute, acknowledge and deliver all such further conveyances, notices, assumptions, releases and acquaintances and such other instruments, and cooperate and take such further actions, as may be reasonably necessary or appropriate to transfer and assign fully to the Purchaser and its successors and assigns, all of the Purchased Assets, and for the Purchaser and its successors and assigns, to assume the Assumed Liabilities, and to otherwise make effective the transactions contemplated hereby and thereby.

Subject to the terms and conditions of this Agreement (including, without limitation, Section 7.1(d)), the parties shall not take any action or refrain from taking any action the effect of which would be to delay or impede the ability of Sellers and the Purchaser to consummate the transactions contemplated by this Agreement, unless in such party's reasonable judgment, taking such action or refraining from taking such action is consistent with achieving the ultimate objective or consummating the transactions contemplated hereby or is required by applicable Law.

(b) Following the Execution Date and until the earlier of the Closing Date and the date on which this Agreement is terminated in accordance with Section 3.4: (i) Sellers, on the one hand, and the Purchaser, on the other hand, shall keep each other reasonably informed as to the status of matters relating to the completion of the transactions contemplated hereby, including promptly furnishing the other with copies of notices or other communications received by Sellers or the Purchaser (as the case may be), from any Governmental Body with respect to the transactions contemplated by this Agreement; and (ii) Sellers shall, to the extent permitted by law, (A) provide to the Purchaser substantially final drafts of all of Sellers' pleadings, orders and notices to be filed in the Bankruptcy Cases in connection with this Agreement at least two (2)

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Business Days before the filing to the extent reasonably practicable and, if not reasonable practicable, as soon as possible, and consider in good faith Purchaser's reasonable comments related to such pleadings, orders and notices, and (B) Sellers shall cooperate and coordinate with the Purchaser's reasonable requests concerning court hearings, pleadings, orders and notices.

(c) The obligations of the Purchaser and Sellers pursuant to this Section 8.6 shall be subject to any orders entered, or approvals or authorizations granted or required, by or under the Bankruptcy Courts or the Bankruptcy Code (including in connection with the Chapter 11 Case), and each of Sellers' obligations as a debtor in possession to comply with any order of the Bankruptcy Courts (including the Bidding Procedures Order and the Sale Orders) and Sellers' duty to seek and obtain the highest or otherwise best price for the Business as required by the Bankruptcy Code.

8.7 Preservation of Records. Sellers and the Purchaser agree that each of them shall preserve and keep the records held by them or their Affiliates relating to the Business, the Purchased Assets and Assumed Liabilities for a period of five (5) years from the Closing Date, in the case of the Purchaser, and until the closing of the Bankruptcy Cases or the liquidation and winding up of Sellers' estates, in the case of Sellers, and shall make such records available to the other party as may be reasonably required by such other party in connection with, among other things, any insurance claims by, actions or tax audits against or governmental investigations of Sellers or the Purchaser or any of their respective Affiliates or in order to enable Sellers or the Purchaser to comply with their respective obligations under this Agreement and each other agreement, document or instrument contemplated hereby or thereby. In the event Sellers or the Purchaser wishes to destroy such records at the end of such applicable period, such party shall first give sixty (60) days' prior written notice to the other party and such other party shall have the right at its option and expense, upon prior written notice given to such party within such sixty (60) day period, to take possession of the records within one hundred and twenty (120) days after the date of such notice, or such shorter period as the liquidation and winding up of Sellers' estates shall permit.

8.8 Publicity. The Allied Entities or the Purchaser may issue a press release or public announcement concerning this Agreement or the transactions contemplated hereby only with the prior written approval of the other parties hereto, which approval will not be unreasonably withheld, conditioned or delayed, unless, in the sole judgment of the disclosing party, such disclosure is otherwise required by applicable Law or by the Bankruptcy Courts with respect to filings to be made with the Bankruptcy Courts in connection with this Agreement. Without limiting the generality of the foregoing sentence, the party intending to make such release shall use its commercially reasonable efforts, consistent with such applicable Law or Bankruptcy Courts requirement, to consult with the other parties with respect to the text thereof.

8.9 Communication with Acquired Customers. The Allied Entities and the Purchaser shall send a joint letter to the Acquired Customers, in form and substance reasonably satisfactory to Sellers and the Purchaser, at a mutually satisfactory time after the U.S. Bankruptcy Court's entry of the Sale Order, which shall include, but not be limited to, advising the Acquired Customers about the existence of (but not the terms of) this Agreement and the pending transfer of the Acquired Customer's account and underlying Assigned Contract from Sellers to the

Purchaser. In addition, the Purchaser shall have the right, upon reasonable advance notice and subject to the prior consent of Allied (which consent shall not be unreasonably withheld, conditioned or delayed), to contact and meet with any Allied Entity's joint venturers and other partners, any parties to any Assigned Contract and any lenders with respect to any Purchased Assets or Assumed Liabilities; *provided, however*, that prior to the entry of the Sale Orders, Sellers shall have the right to participate in any such contact or meeting.

8.10 Notification of Certain Matters. Sellers shall give prompt notice to the Purchaser, and the Purchaser shall give prompt notice to Sellers, of (i) any notice or other communication from any Person alleging that the consent of such Person which is or may be required in connection with the transactions contemplated by this Agreement is not likely to be obtained prior to Closing and (ii) any written objection or proceeding that challenges the transactions contemplated hereby or the entry of the approval of the Bankruptcy Courts. To the extent permitted by applicable Law, Sellers shall give prompt notice to the Purchaser of (i) any written notice from any Governmental Body of any alleged violation of Law applicable to any Allied Entity, (ii) the commencement of any investigation, inquiry or review by any Governmental Body with respect to the Business or that any such investigation, inquiry or review, to the Knowledge of Sellers, is contemplated, and (iii) the execution of any Material Contract entered into other than in the Ordinary Course of Business (and Sellers shall deliver or make available a copy thereof to the Purchaser).

8.11 Environmental Matters Access and Cooperation. Each Seller agrees that, from and after the Execution Date, the Purchaser and its Representatives shall be entitled to have, upon reasonable advance notice, such reasonable access to and make such reasonable investigation and examination of the environmental condition of the Real Property that is included in the Purchased Assets, including phase I and phase II reports, at the Purchaser's sole expense, as the Purchaser or its Representatives may reasonably request. Each Seller shall use commercially reasonable efforts to cause its Representatives and each Allied Entity controlled by such Seller to cooperate with the Purchaser and the Purchaser's Representatives in connection with such investigations and examinations, and the Purchaser shall, use its commercially reasonably efforts to cause its Representatives to, reasonably cooperate with such Sellers and their respective Representatives and shall use their reasonable efforts to minimize any disruption to the Business; *provided* that any invasive or subsurface investigations of any Real Property shall be conducted in such locations and in such manners as are approved in advance by Sellers (which approval shall not be unreasonably withheld, conditioned, or delayed); and *provided, further*, that promptly following the Purchaser's investigation or examination of any Real Property, the Purchaser shall, at its sole expense, restore such Real Property to the condition in which it existed immediately prior to such investigation or examination. The Purchaser further agrees that it and its Representatives shall treat and maintain all information generated as a result of any phase I or phase II investigation of any Real Property as confidential business information and that such information shall not be shared with any Person or Governmental Body except as required by applicable Law and unless the Purchaser has given written notice, at least five (5) Business Days in advance, to Allied prior to providing any such information to any third-party.

8.12 Notification of Additional Bids. Sellers shall give prompt notice to the Purchaser of, and shall provide the Purchaser with copies of, any written expression of interest, inquiry,

offer or bid received by Sellers from any other prospective buyer for the sale of the Purchased Assets.

8.13 Determination of Wind Down Budget. Sellers and Purchaser shall have agreed on the Wind Down Budget on or prior to the commencement of the hearing seeking entry of the Bidding Procedures Order.

8.14 Canadian Recognition Order. Sellers and Purchaser shall use their reasonable best efforts to include in the Canadian Sale Order an exemption of any non-compliance with the provisions of the *Bulk Sales Act* (Ontario) in respect of the purchase and sale of the Purchased Assets.

8.15 Schedules. By May 20, 2013 (the "Schedule Delivery Date"), (a) the Purchaser shall deliver to Sellers a final and complete version of the Purchaser Disclosure Schedule and any other Schedules deliverable by the Purchaser pursuant to this Agreement and (b) Sellers shall deliver to the Purchaser a final and complete version of the Sellers' Schedules; provided that prior to the Schedule Delivery Date Sellers shall provide the Purchaser with any individual Seller Schedule as soon as reasonably practical after such individual Seller Schedule is finalized by Sellers.

8.16 Foreign Subsidiary Stock. If after the Execution Date and prior to the Closing the Purchaser excludes any Foreign Subsidiary Stock as a Purchased Asset pursuant to Section 1.5 and instead wishes to purchase and acquire from such Foreign Subsidiary any assets and assume from such Foreign Subsidiary any liabilities, the applicable Seller shall cause such Foreign Subsidiary to enter into either (a) a purchase agreement with the Purchaser (or one of its Affiliates) or (b) an amendment to this Agreement, in each case with respect to the purchase, sale and assumption of such assets and liabilities on terms and conditions mutually acceptable to such Foreign Subsidiary and the Purchaser (or such Affiliate); provided that the consummation of any such purchase agreement or amendment shall be conditioned on the Purchaser (or its Affiliate) having entered into collective bargaining agreements with any unions in respect of any Employees of such Foreign Subsidiary then currently subject to collective bargaining agreements, in each case to be effective as of such consummation, and such agreements shall have been fully ratified by the applicable members in accordance with all applicable requirements.

ARTICLE IX.

CONDITIONS TO CLOSING

9.1 Conditions Precedent to the Obligations of Sellers. The obligations of Sellers to consummate the transactions contemplated by this Agreement are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived in writing by Sellers in whole or in part to the extent permitted by applicable Law):

(a) there shall not be in effect any statute, rule, regulation, executive order enacted, issued, entered or promulgated by a Governmental Body of competent jurisdiction

restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby;

(b) the U.S. Bankruptcy Court shall have entered the Bidding Procedures Order and the U.S. Sale Order substantially in the forms set forth as Exhibit D and Exhibit E hereto, respectively, and the Canadian Court shall have entered orders recognizing both such orders substantially in the forms attached as Exhibit F and Exhibit G hereto, respectively, with any changes thereto reasonably satisfactory to Sellers;

(c) the representations and warranties of the Purchaser set forth in Article V hereof shall be true and correct in all material respects as of the Closing Date as though made on and as of the Closing Date (except for such representations and warranties made as of a certain date, which shall be true and correct as of such date as though made on and as of such date), and Sellers shall have received a certificate signed by an authorized officer of the Purchaser, dated the Closing Date, to the foregoing effect;

(d) the Purchaser shall have performed and complied in all material respects with all obligations and agreements required by this Agreement to be performed or complied with by the Purchaser on or prior to the Closing Date, and Sellers shall have received a certificate signed by an authorized officer of the Purchaser, dated the Closing Date, to the foregoing effect;

(e) the Purchaser shall have delivered, or caused to be delivered, to Sellers all of the items set forth in Section 3.3;

(f) the Purchaser shall have delivered all portions of the Purchase Price in accordance with Section 2.1; and

(g) the Purchaser shall have delivered to Sellers appropriate evidence of all necessary limited liability company action by the Purchaser in connection with the transactions contemplated hereby, including, without limitation: (i) certified copies of resolutions duly adopted by the Purchaser's Board of Directors or similar governing body approving the transactions contemplated by this Agreement and authorizing the execution, delivery, and performance by the Purchaser of this Agreement; and (ii) a certificate as to the incumbency of officers of the Purchaser executing this Agreement and any instrument or other document delivered in connection with the transactions contemplated by this Agreement.

9.2 Conditions Precedent to the Obligations of the Purchaser. The obligations of the Purchaser to consummate the transactions contemplated by this Agreement are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived in writing by the Purchaser in whole or in part to the extent permitted by applicable Law):

(a) there shall not be in effect any statute, rule, regulation, executive order enacted, issued, entered or promulgated by a Governmental Body of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby;

(b) the U.S. Bankruptcy Court shall have entered the Bidding Procedures Order and the U.S. Sale Order substantially in the forms set forth as Exhibit D and Exhibit E hereto, respectively, and the Canadian Court shall have entered orders recognizing both such orders substantially in the forms attached as Exhibit F and Exhibit G hereto, respectively, with any changes thereto that adversely impact the Purchaser satisfactory to the Purchaser in its sole discretion;

(c) Sellers shall have delivered to the Purchaser (i) a certified copy of the Sale Orders, and (ii) copies of all affidavits of service of the Sale Motion or notice of such motion filed by or on behalf of Sellers;

(d) (i) the Sellers Fundamental Representations shall be true and correct in all material respects as of the Execution Date and as of Closing Date as though made on and as of the Closing Date (except for such representations and warranties made as of a certain date, which shall be true and correct in all material respects as of such date) and (ii) each of the representations and warranties of Sellers set forth in Article IV (other than the Sellers Fundamental Representations) shall be true and correct in all respects (disregarding for these purposes any exception in such representation and warranties relating to "materiality," Material Adverse Effect or similar materiality qualifications) as of the Execution Date and the Closing Date as if made at and as of the Closing Date (except to the extent such representations and warranties expressly relate to an earlier date, then as of such earlier date), except for such failures to be true and correct as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and the Purchaser shall have received a certificate signed by an authorized officer of Allied, dated the Closing Date, to the foregoing effect;

(e) Sellers shall have performed and complied in all material respects with all obligations and agreements required by this Agreement to be performed or complied with by Sellers on or prior to the Closing Date, and the Purchaser shall have received a certificate signed by an authorized officer of Sellers, dated the Closing Date, to the foregoing effect;

(f) Sellers shall have delivered, or caused to be delivered, to the Purchaser all of the items set forth in Section 3.2;

(g) all of the Material Permits set forth on Section 9.2(g) of the Seller Disclosure Schedule (the "Required Material Permits") shall have been (i) transferred to the Purchaser or (ii) obtained by the Purchaser, and all of the Required Material Permits shall be in full force and effect as necessary for the Purchaser to continue to conduct the Business in the Ordinary Course of Business immediately after the Closing Date;

(h) between the Execution Date and the Closing Date, there shall not have occurred a Material Adverse Effect;

(i) between the Execution Date and the Closing Date, Sellers shall not have experienced any labor strike or other work stoppage;

(j) Purchaser shall have agreed on the terms, conditions, and amount of the Wind Down Budget;

(k) the Purchaser shall have completed its business, financial, legal and other due diligence investigation and review of Sellers to the Purchaser's satisfaction in its sole discretion; *provided* that this condition shall expire on June 14, 2013;

(l) either (i) the DIP Payment shall be delivered to the DIP Agent, or (ii) the Purchaser shall have agreed in writing to treat the obligations owing under the DIP Credit Agreement as an Assumed Liability (subject to the consent of the DIP Lenders and subject to the release of Sellers from all obligations owing under the DIP Credit Agreement as of the Closing Date);

(m) the Purchaser shall have agreed on new collective bargaining agreements with (i) the Teamsters National Automobile Transporters Industry Negotiating Committee, (ii) any unions in respect of any Employees of Cordin Transport, LLC that are located at its Dearborn facility, (iii) any unions in respect of any Employees of the Canadian Sellers currently subject to collective bargaining agreements and (iv) any unions in respect of any other Employees of Sellers currently subject to collective bargaining agreements, in each case to be effective as of the Closing Date, and such agreements shall have been fully ratified by the applicable members in accordance with all applicable requirements;

(n) each Canadian Seller shall have obtained at its own expense and shall have delivered to the Purchaser a certificate pursuant to the *Retail Sales Tax Act* (Ontario), and a certificate under any equivalent provision of an applicable provincial Tax legislation, stating that all Taxes required to be paid by such Canadian Seller under the *Retail Sales Tax Act* (Ontario), or such other applicable provincial Tax legislation, have been paid in full;

(o) AX International Limited shall have transferred and assigned its equity interest in Arrendadora de Equipo para el Transporte de Automóviles, S.de R.L. de C.V.to Axis Group, Inc. in exchange for the fair market value of such equity interest as agreed to by the Purchaser and Sellers, which shall in no event exceed $4,000; and

(p) the Additional Cash Consideration shall have been delivered to the First Lien Agents.

9.3 Frustration of Closing Conditions. Neither Sellers nor the Purchaser may rely on the failure of any condition set forth in Section 9.1 or Section 9.2, as the case may be, if such failure was caused directly by such party's failure to comply with any provision of this Agreement.

9.4 Information Officer's Certificate. Provided all the events to be certified therein have occurred, Sellers shall cause the Information Officer to deliver on Closing the Information Officer's Certificate substantially in the form attached to the Canadian Sale Order. Forthwith upon delivery, Sellers shall cause the Information Officer to file the Information Officer's Certificate with the Canadian Court.

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ARTICLE X.

ADDITIONAL DEFINITIONS

10.1 Certain Definitions. As used herein:

"Accounts Receivable" means (i) any and all accounts receivable, trade accounts and other amounts receivables (including overdue accounts receivable) owed to any Sellers and any other rights of any Sellers to payment from third parties including, but not limited to those reflected in the books and records of Sellers, in each case to the extent relating to, or arising in connection with the operation and conduct of, the Business, and the full benefit of all security for such accounts or rights to payment, including all trade accounts receivable representing amounts receivable in respect of goods shipped, products sold or services rendered, in each case owing to any Sellers; (ii) all other accounts or notes receivable of any Sellers and the full benefit of all security for such accounts or notes receivable, in each case to the extent arising in the conduct of the Business; and (iii) any and all claims, remedies or other right relating to any of the foregoing, together with any interest or unpaid financing charges accrued thereon, in each case existing on the Execution Date or arising in the Ordinary Course of Business after the Execution Date and in each case that have not been satisfied or discharged prior to the close of business on the Business Day immediately preceding the Closing Date or have not been written off or sent to collection prior to the close of business on the Business Day immediately preceding the Closing Date (it being understood that the receipt of a check prior to the close of business on the Business Day immediately preceding the Closing Date shall constitute satisfaction or discharge of the applicable account or note receivable to the extent of the payment represented thereby).

"Acquired Customers" means each customer of a Seller that is a party to an Assumed Customer Contract.

"Actions" has the meaning set forth in Section 4.6.

"Additional Cash Consideration" means an amount determined by the Purchaser in its sole discretion which shall not exceed $10 million and which, upon Sellers' receipt thereof from the Purchaser pursuant to Section 3.3(a)(iii), shall be paid by Sellers to the First Lien Agents at the Closing, to be applied to the obligations outstanding under the First Lien Credit Agreement and the First Lien Credit Documents in accordance with the terms thereof.

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person, and the term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" has the meaning set forth in the Preamble.

"Allied" has the meaning set forth in the Preamble.

"Allied Borrowers" means Allied and Allied Systems Ltd. (L.P.), a Georgia corporation.

"Allied Entities" means Sellers and the Foreign Subsidiaries.

"Allocation" has the meaning set forth in Section 11.1.

"Alternative Transaction" means (i) a sale or sales of a material portion of the Purchased Assets to a third party other than the Purchaser or any of its Affiliates conducted through the Bankruptcy Cases which is approved by the Bankruptcy Courts or (ii) the filing of a plan of reorganization that does not contemplate the sale of the Purchased Assets to the Purchaser in accordance with the terms hereof.

"Antitrust Laws" means the HSR Act, the Competition Act and any other applicable Laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or significant impediments or lessening of competition or creation or strengthening of a dominant position through merger or acquisition.

"Applicable Employment Legislation" has the meaning set forth in Section 4.15(b).

"Assigned Contracts" has the meaning set forth in Section 1.1(y).

"Assumed Customer Contracts" has the meaning set forth in Section 1.1(a).

"Assumed Independent Contractor Contracts" has the meaning set forth in Section 1.1(k).

"Assumed Intellectual Property" has the meaning set forth in Section 1.1(s).

"Assumed Intellectual Property Licenses" has the meaning set forth in Section 1.1(s).

"Assumed Liabilities" has the meaning set forth in Section 1.3.

"Assumed Leased Real Property" has the meaning set forth in Section 1.1(j).

"Assumed Personal Property Leases" has the meaning set forth in Section 1.1(h).

"Assumed Plans" has the meaning set forth in Section 1.1(y).

"Assumed Real Property Leases" has the meaning set forth in Section 1.1(j).

"Assumed Retention Incentive Agreements" has the meaning set forth in Section 1.1(y).

"Assumed Vendor Contracts" has the meaning set forth in Section 1.1(e).

"Assumption and Assignment Motion" has the meaning set forth in Section 7.1(e).

"Assumption and Assignment Order" has the meaning set forth in Section 7.1(e).

"Auction" means an auction in respect of the Purchased Assets.

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"Bankruptcy Cases" has the meaning set forth in the Recitals.

"Bankruptcy Code" means chapter 11 of title 11 of the United States Code, 11 U.S.C. § 101 *et seq.*

"Bankruptcy Courts" has the meaning set forth in the Recitals.

"Bankruptcy Exceptions" has the meaning set forth in Section 4.3.

"Bidding Procedures" has the meaning set forth in Section 7.1(b)(i).

"Bidding Procedures Order" has the meaning set forth in Section 7.1(b)(i).

"Budget" means the 2013 annual budget, dated April __, 2013, for Sellers, consisting of forecasted income statements, balance sheets and cash flow statements for each month of 2013, as approved by the Purchaser in its sole discretion.

"Business" means the business of providing vehicle transportation, distribution, logistics, inspections, yard management, tracking, accessorizing, dealer preparation and other support services to the automotive industry.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in New York City, New York are authorized or required by Law to be closed.

"Capital Expenditure Covenants" means the financial covenants regarding capital expenditures (a) for purposes of Section 8.1, then in effect under the DIP Credit Agreement or (b) for purposes of Section 4.5, under the Super Priority Debtor in Possession Credit and Guaranty Agreement, dated as of June 12, 2012, by and among the Allied Borrowers, as borrowers, the other Debtors, as guarantors, Yucaipa American Alliance Fund II, LLC, as agent, and the lenders thereto, as amended (as applicable).

"Canadian Court" has the meaning set forth in the Recitals.

"Canadian Sale Order" has the meaning set forth in the definition of Sale Orders in this Section 10.1.

"Canadian Seller" means Allied Systems (Canada) Limited and Axis Canada Company.

"Cash and Cash Equivalents" means all of Sellers' cash (including petty cash and checks received prior to the close of business on the Closing Date), checking account balances, marketable securities, certificates of deposits, time deposits, bankers' acceptances, commercial paper and government securities and other cash equivalents (but specifically excluding any cash tendered as a part of the Purchase Price or any cash in the Wind Down Budget pursuant to this Agreement).

"CCAA Case" has the meaning set forth in the Recitals.

"CIT" means The CIT Group/Business Credit, Inc.

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"Chapter 11 Case" has the meaning set forth in the Recitals.

"Claim Assignment" has the meaning set forth in Section 3.7.

"Claim Contribution" has the meaning set forth in Section 2.1(a)(iv).

"Claim Contribution Amount" means an amount of obligations held by the First Lien Lenders under the First Lien Credit Agreement and the First Lien Credit Documents equal to (a) $70 million minus (b) the amount of the DIP Payment minus (c) the amount of the Wind Down Budget minus (d) the Additional Cash Consideration.

"Closing" has the meaning set forth in Section 3.1.

"Closing Date" has the meaning set forth in Section 3.1.

"Code" means the Internal Revenue Code of 1986, as amended.

"Competition Act" means the *Competition Act* (Canada), as amended, and the regulations thereunder.

"Contract" means any written or oral contract, purchase order, service order, sales order, indenture, note, bond, lease, license, commitment or instrument or other agreement, arrangement or commitment that is legally binding upon a Person or its property.

"Cure Costs" means the amounts necessary to cure all defaults, if any, and to pay all actual pecuniary losses, if any, that have resulted from such defaults, under the Assigned Contracts, in each case as of the Closing Date and to the extent required by Section 365 of the Bankruptcy Code and any order of the U.S. Bankruptcy Court.

"Designated Purchaser" has the meaning set forth in Section 12.8(b).

"DIP Agent" means Black Diamond Commercial Finance, L.L.C. in its capacity as Administrative Agent under the DIP Credit Agreement, or any successor thereto or replacement thereof.

"DIP Credit Agreement" means that certain Super Priority Debtor in Possession Credit and Guaranty Agreement, dated as of May 17, 2013, by and among the Allied Borrowers, as borrowers, the other Debtors, as guarantors, the DIP Agent and the DIP Lenders, as amended, modified, supplemented, restated or replaced from time to time.

"DIP Lenders" means the lenders, from time to time, under the DIP Credit Agreement, including any other party that may become a lender thereunder.

"DIP Order" means the *Final Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363(c), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e) (503(b) and 507(a), Fed. R. Bankr. P. 2002, 4001 and 9014 and Del. Bankr. L.R. 4001-2: (I) Authorizing Debtors to (A) Obtain Postpetition Secured DIP Financing and (B) Use Cash Collateral; (II) Granting Superiority Liens and Providing for Superpriority Administrative Expense Status; (III) Granting Adequate Protection*

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to Prepetition Secured Lenders; and (IV) Modifying Automatic Stay, entered on May [•], 2013 **[DOCKET]**, as amended from time to time.

"DIP Payment" has the meaning set forth in Section 2.1(a)(i).

"Documents" means all of Sellers' written files, documents, instruments, papers, books, reports, records, tapes, microfilms, photographs, letters, budgets, forecasts, plans, operating records, safety and environmental reports, data, studies and documents, ledgers, journals, title policies, customer lists, regulatory filings, operating data and plans, research material, technical documentation (design specifications, engineering information, test results, maintenance schedules, functional requirements, operating instructions, logic manuals, processes, flow charts, etc.), user documentation (installation guides, user manuals, training materials, release notes, working papers, etc.), marketing documentation (sales brochures, flyers, pamphlets, web pages, etc.), and other similar materials, in each case whether or not in electronic form.

"Employee" means an individual who, as of the applicable date, is employed by any Sellers in connection with the Business (including those who may be on a leave of absence as of the Closing Date).

"Employee Benefit Plan" means (i) all "employee benefit plans" (as defined in Section 3(3) of ERISA), including all employee benefit plans which are "pension plans" (as defined in Section 3(2) of ERISA, determined without regard to whether such plan is either subject to ERISA or is tax-qualified under the Code) and any other written employee benefit plan, program, policy or arrangements or payroll practices (including, without limitation, severance pay, vacation pay, company awards, salary continuation for disability, sick leave, death benefit, hospitalization, welfare benefit, group or individual health, dental, medical, life, insurance, survivor benefit, deferred compensation, profit sharing, pension, retirement, retiree medical, supplemental retirement, bonus or other incentive compensation, stock purchase, stock option, stock appreciation rights, restricted stock and phantom stock arrangements or policies) and (ii) all written employment, termination, bonus, severance, change in control or other similar contracts or agreements.

"Employment Loss" means (i) an employment termination, other than a discharge for cause, voluntary departure or retirement, (ii) a layoff exceeding six (6) months, (iii) a reduction in hours of work of more than fifty percent (50%) in each month of any six (6) month period or (iv) or any similar employment action that (when aggregated with any other employment action) could trigger the notice requirements of the WARN Act or Applicable Employment Legislation.

"Employment Offering Purchaser Entity" has the meaning set forth in Section 6.1.

"Encumbrance" means any lien, encumbrance, claim (as defined in Section 101(5) of the Bankruptcy Code), right, demand, charge, mortgage, deed of trust, pledge, security interest or similar interests, title defects, hypothecations, easements, rights of way, restrictive covenants, encroachments, judgments, conditional sale or other title retention agreements and other impositions, imperfections or defects of title or restrictions on transfer or use of any nature whatsoever, or any other interest (as used in any applicable section of the Bankruptcy Code, including section 363(f)).

"Environmental Laws" means all Laws relating to pollution or protection of natural resources or the environment, or the generation, use, treatment, storage, handling, transportation or Release of, or exposure to, Hazardous Materials, including, without limitation, the Federal Water Pollution Control Act (33 U.S.C. §1251 *et seq.*), Resource Conservation and Recovery Act (42 U.S.C. §6901 *et seq.*), Safe Drinking Water Act (42 U.S.C. §3000(f) *et seq.*), Toxic Substances Control Act (15 U.S.C. §2601 *et seq.*), Clean Air Act (42 U.S.C. §7401 *et seq.*), Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §9601 *et seq.*) and other similar U.S. or Canadian federal, state, provincial and local statutes.

"Equipment" means all equipment, machinery, vehicles, rigs, rolling stock, storage tanks, furniture, fixtures and other tangible personal property of every kind and description and improvements and tooling used, or held for use, in connection with the operation of the Business and owned by any Sellers, wherever located, including but not limited to, communications equipment, the IT Assets, and any attached and associated hardware, routers, devices, panels, cables, manuals, cords, connectors, cards, and vendor documents, and including all warranties of the vendor applicable thereto, to the extent such warranties are transferable, but excluding software and any other intangibles associated therewith except to the extent embedded in such Equipment and required to operate it.

"ERISA Affiliate" means any entity (other than a Seller) which is a member of (A) a controlled group of corporations (as defined in Section 414(b) of the Code), (B) a group of trades or businesses under common control (as defined in Section 414(c) of the Code), (C) an affiliated service group (as defined under Section 414(m) of the Code) or (D) any group specified in regulations under Section 414(o) of the Code, any of which includes any Sellers.

"ERISA Affiliate Plan" means each Employee Benefit Plan sponsored or maintained or required to be sponsored or maintained by any ERISA Affiliate, or to which such ERISA Affiliate makes, or has an obligation to make, contributions, or with respect to which such ERISA Affiliate has any liability or obligation.

"Excluded Assets" has the meaning set forth in Section 1.2.

"Excluded Liabilities" has the meaning set forth in Section 1.4.

"Excluded Plans" has the meaning set forth in Section 1.2(i).

"Execution Date" has the meaning set forth in the Recitals.

"Exempt Trust" has the meaning set forth in Section 4.16(c).

"First Lien Agents" means Black Diamond Commercial Finance, LLC and Spectrum Commercial Finance, L.L.C., as co-Administrative Agents under the First Lien Credit Agreement and the First Lien Credit Documents.

"First Lien Credit Agreement" means that certain Amended and Restated First Lien Secured Super Priority Debtor-in-Possession and Exit Credit and Guaranty Agreement, dated May 15, 2007, by and among, *inter alia*, the Allied Borrowers certain subsidiaries of Allied

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Borrowers as guarantors, the lenders party thereto from time to time, and CIT, as administrative and collateral agent, as amended by that certain Limited Waiver and Amendment No. 1 to Credit Agreement and Pledge and Security Agreement, dated as of May 29, 2007, that certain Amendment No. 2 to Credit Agreement, dated as of June 12, 2007, that certain Amendment No. 3 to Credit Agreement, dated as of April 17, 2008 and that certain Amendment No. 4 to Credit Agreement dated as of August 21, 2009, and as further as amended, modified, supplemented or restated from time to time.

"First Lien Credit Documents" means the Credit Documents as defined in the First Lien Credit Agreement.

"First Lien Lenders" means the Lenders party to, and as defined in, the First Lien Credit Agreement.

"First Lien Loans" means the outstanding Loans (as defined in the First Lien Credit Agreement) and participations in LC Disbursements (as defined in the First Lien Credit Agreement).

"FMLA" means the United States Family and Medical Leave Act, as amended.

"Foreign Subsidiary Financial Statements" means with respect to each Foreign Subsidiary, (a) the unaudited financial statements of such Foreign Subsidiary for the 12-month periods ended December 31, 2010, December 31, 2011 and December 31, 2012 including the balance sheet as of such date and the related statements of income for such periods and (b) the unaudited balance sheet of such Foreign Subsidiary, on a consolidated basis, as of March 31, 2013 and the related statement of income for the three-month period then ended.

"Foreign Subsidiary Stock" has the meaning set forth in Section 1.1(u).

"Foreign Subsidiaries" means the Persons set forth on Section 10.1(i) of the Seller Disclosure Schedule.

"GAAP" means United States generally accepted accounting principles as in effect from time to time.

"Governmental Body" means any government, quasi-governmental entity, or other governmental or regulatory body, agency or political subdivision thereof of any nature, whether foreign, federal, state, provincial or local, or any agency, branch, department, official, entity, instrumentality or authority thereof, or any court or arbitrator (public or private) of applicable jurisdiction.

"Hazardous Materials" means petroleum and all derivatives thereof or synthetic substitutes therefore, asbestos and asbestos containing materials, and any and all materials defined, listed, designated or classified as, or otherwise determined to be, "hazardous wastes," "hazardous substances," "radioactive," "solid wastes," or "toxic" (or words of similar meaning) under or pursuant to or otherwise listed or regulated pursuant to any Environmental Law,

including hazardous substances under Health Canada's Workplace Materials Information System (WHMIS) and any equivalent legislation of other applicable jurisdictions.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Income Taxes" shall mean all Taxes based upon, measured by, or calculated with respect to gross or net income or gross or net receipts or profits.

"Income Tax Returns" shall mean Tax Returns with respect to Income Taxes.

"Indebtedness" of any Person means, without duplication, (i) the interest in respect of, principal of and premium (if any) in respect of (x) indebtedness of such Person for money borrowed and (y) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable; (ii) all obligations of such Person issued or assumed as the deferred purchase price of property (other than for services and good acquired in the Ordinary Course of Business); (iii) all obligations of such Person under leases required to be capitalized in accordance with GAAP; (iv) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction; (v) all obligations of the type referred to in clauses (i) through (iv) of any Persons for the payment of which such Person is responsible or liable, directly or indirectly, as obligor, guarantor, surety or otherwise, including guarantees of such obligations; and (vi) all obligations of the type referred to in clauses (i) through (v) of other Persons secured by any Encumbrance (other than Permitted Encumbrances), on any property or asset of such Person (whether or not such obligation is assumed by such Person).

"Information Officer" means Duff & Phelps Canada Restructuring Inc., in its capacity as information officer.

"Information Officer's Certificate" means a certificate of the Information Officer certifying the closing of the transactions among the Canadian Sellers and the Purchaser contemplated pursuant to this Agreement and substantially in the form attached to the Canadian Sale Order.

"Intellectual Property" means all intellectual property and proprietary rights of any kind, including the following: (i) trademarks, service marks, trade names, slogans, logos, trade dress, internet domain names, uniform resource identifiers, rights in design, brand names, and other similar designations of source or origin, together with all goodwill, registrations and applications related to the foregoing; (ii) patents, utility models and industrial design registrations (and all continuations, divisionals, continuations in part, provisionals, renewals, reissues, re-examinations and applications for any of the foregoing); (iii) copyrights and copyrightable subject matter (including without limitation any registration and applications for any of the foregoing); (iv) trade secrets and other confidential or proprietary business information (including manufacturing and production processes and techniques, research and development information, technology, drawings, specifications, designs, plans, proposals, technical data, financial, marketing and business data, pricing and cost information, business and marketing plans, customer and supplier lists and information), know how, proprietary processes, formulae, algorithms, models, and

methodologies; (v) computer software, computer programs, and databases (whether in source code, object code or other form); and (vi) all rights to sue for past, present and future infringement, misappropriation, dilution or other violation of any of the foregoing and all remedies at law or equity associated therewith.

"Insurance Policies" has the meaning set forth in Section 4.18.

"Inventory" means all of Sellers' inventories of raw materials, office supplies, works in progress, goods, spare parts and replacement and component parts and fuel that are used, or held for use, in connection with the operation of the Business.

"Investment Canada Act" means the *Investment Canada Act* (Canada), as amended, and the regulations thereunder.

"IT Assets" means all of Sellers' computers, computer software and databases (including source code, object code and all related documentation), firmware, middleware, servers, workstations, routers, hubs, switches, data communications lines, and all other information technology equipment and elements, and all associated documentation that are used, or held for use, in connection with the operation of the Business, in each case to the extent in the physical possession of any Seller.

"Knowledge" An individual shall be deemed to have "Knowledge" of a particular fact or other matter if such individual is, or with reasonable diligence within the scope of reasonable fulfillment of such individual's duties, would be, aware of such fact or other matter. Sellers shall be deemed to have "Knowledge" of a particular fact or other matter if any of the following individuals has Knowledge of such fact or other matter: Mark Gendregske, John Jansen, Robert Ferrell, John Blount, Devora Mitchell, Scott Macaulay, Julie Sieja or Bob Hutchison.

"Laws" means all federal, state, provincial, local or foreign laws, statutes, common law, rules, codes, regulations, restrictions, ordinances, orders, decrees, approvals, directives, judgments, rulings, injunctions, writs and awards of, or issued, promulgated, enforced or entered by, any and all Governmental Bodies, or court of competent jurisdiction, or other requirement or rule of law.

"Leased Real Property" means all of the real property leased, subleased, licensed, used or occupied by any Sellers (other than the Owned Real Property), together with all buildings, structures, fixtures and improvements erected thereon, and any and all rights privileges, easements, licenses, hereditaments and other appurtenances relating thereto, and used, or held for use, in connection with the operation of the Business.

"Liability" means, as to any Person, any debt, adverse claim, liability, obligation, commitment, assessment, cost, expense, loss, expenditure, charge, fee, penalty, fine, contribution or premium of any kind or nature whatsoever, whether known or unknown, asserted or unasserted, absolute or contingent, direct or indirect, accrued or unaccrued, liquidated or unliquidated, or due or to become due, and regardless of when sustained, incurred or asserted or when the relevant events occurred or circumstances existed, including all costs and expenses relating thereto.

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"Licensed Intellectual Property" means any Intellectual Property that is licensed to any Sellers, and used, or held for use, in connection with the operation of the Business.

"Management Retention Incentive Agreements" means those certain Retention Incentive Agreements, by and between Allied Systems, Yucaipa American Alliance Fund I, L.P. and Yucaipa American Alliance (Parallel) Fund I, L.P., and each of John Bates (dated January 5, 2012), John Blount (dated December 31, 2011), Dane Campbell (dated January 5, 2012), Jorge Lopez Colome (dated January 5, 2012), Cade Daniel (dated December 31, 2011), Jonathan Davis (dated December 31, 2011), Robert Ferrell (dated December 31, 2011), Mark J. Gendregske (dated December 31, 2011), Robert Hutchison (dated December 31, 2011), John Jensen (dated December 31, 2011), Scott Macaulay (dated December 31, 2011), Dan Marx (dated December 31, 2011), Roger Panella (dated December 31, 2011), Keith Rentzel (dated December 31, 2011), and Julie Sieja (dated December 31, 2011).

"Material Adverse Effect" means any event, circumstance, change, occurrence or state of facts that has had, or could reasonably be expected to have, a material adverse effect on the (i) assets, Liabilities, Business, operations, properties, condition (financial or otherwise) or results of operations of the Business, taken as a whole, or (ii) the ability of Sellers to consummate the transactions contemplated by this Agreement or perform their obligations under this Agreement, except, in each case, for any such effect resulting from any of the following: (A) changes after the Execution Date in any applicable Law, (B) the announcement or pendency of this Agreement or the transactions contemplated hereby, including, without limitation, effects on relationships, contractual or otherwise, with customers, suppliers, vendors or employees, (C) 'any action by the Purchaser or any of its Affiliates or the omission of an action that was required to be taken by the Purchaser or any of its Affiliates pursuant to this Agreement or the transactions contemplated hereby, or (D) any action taken or omitted by any Seller or any of its Affiliates that was required to be so taken or omitted, respectively, by any Seller or any of its Affiliates pursuant to this Agreement or at the request or with the prior written consent of the Purchaser.

"Material Contracts" has the meaning set forth in Section 4.8.

"Material Permits" has the meaning set forth in Section 4.9(a).

"Non-Assumed Contracts" means the Contracts set forth on Schedule 10.1(ii) of the Seller Disclosure Schedule.

"Ordinary Course of Business" means the ordinary and usual course of normal day to day operations of the Business consistent with past practice.

"Outside Date" has the meaning set forth in Section 3.4(b).

"Owned Intellectual Property" means all Intellectual Property owned by any Sellers, and used, or held for use, in connection with the operation of the Business.

"Owned Real Property" means the parcels of real property which a Seller owns (together with all fixtures and improvements thereon).

"Permits" means all notifications, licenses, permits (including environmental, construction and operation permits), franchises, certificates, approvals, consents, waivers, clearances, exemptions, classifications, registrations, variances, orders, tariffs, rate schedules and other similar documents and authorizations issued by any Governmental Body to any Sellers and used, or held for use, in connection with the operation of the Business or applicable to ownership of the Purchased Assets or assumption of the Assumed Liabilities.

"Permitted Encumbrances" means (i) Encumbrances for utilities and current Taxes not yet due and payable or being contested in good faith; (ii) easements, rights of way, restrictive covenants, encroachments and similar non-monetary encumbrances or non-monetary impediments against any of the Purchased Assets which do not, individually or in the aggregate, adversely affect in a material respect the operation of the Business as currently conducted and, in the case of the Assumed Leased Real Property, which do not, individually or in the aggregate, adversely affect in a material respect the use or occupancy of such Assumed Leased Real Property as it relates to the operation of the Business as currently conducted or materially detract from the value of the Assumed Leased Real Property, (iii) applicable zoning Laws, building codes, land use restrictions and other similar restrictions imposed by Law, (iv) materialmans', mechanics', artisans', shippers', warehousemans' or other similar common law or statutory liens incurred in the Ordinary Course of Business, (v) the Encumbrances set forth in Section 10.1(iii) of the Seller Disclosure Schedule and (vi) such other Encumbrances or title exceptions as the Purchaser may approve in writing in its sole discretion.

"Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, labor union, estate, Governmental Body or other entity or group.

"Personal Property Leases" has the meaning set forth in Section 1.1(h).

"Petition Date" means the date on which Sellers commenced the Chapter 11 Case and the CCAA Case.

"Purchase Price" has the meaning set forth in Section 2.1(a).

"Purchased Assets" has the meaning set forth in Section 1.1.

"Purchased Names" has the meaning set forth in Section 1.1(i).

"Purchaser" has the meaning set forth in the Preamble.

"Purchaser Benefit Plan" means any Employee Benefit Plan to which the Purchaser, the applicable Designated Purchaser or any of the foregoing's ERISA Affiliates is a party, with respect to which the Purchaser, the applicable Designated Purchaser or any of the foregoing's ERISA Affiliates has any Liability or obligation or which are maintained by the Purchaser, the applicable Designated Purchaser or any of the foregoing's ERISA Affiliates and/or to which the Purchaser, the applicable Designated Purchaser or any of the foregoing's ERISA Affiliates contributes or is obligated to contribute with respect to current or former directors, officers,

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consultants, and employees or independent contractors of the Purchaser or the applicable Designated Purchaser.

"Purchaser Disclosure Letter" means the disclosure letter prepared and delivered by the Purchaser for and to Sellers pursuant to Section 8.15 which sets forth the exceptions to the representations and warranties contained herein and certain other information called for by this Agreement.

"Purchaser's Documents" has the meaning set forth in Section 5.2.

"Purchaser's Expense Reimbursement" has the meaning set forth in Section 7.1(a).

"Qualified Plan" has the meaning set forth in Section 4.16(c).

"Real Property" means the Owned Real Property and the Leased Real Property.

"Registered IP" has the meaning set forth in Section 4.7(a).

"Regulatory Approvals" means any consents, waivers, approvals, orders Permits or authorizations of any Governmental Body required in connection with the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereunder, including, without limitation, any consents, waivers, approvals, orders Permits or authorizations under the Antitrust Laws or the Investment Canada Act.

"Release" means, with respect to any Hazardous Material, any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing or migrating into or through any surface or ground water, drinking water supply, soil, surface or subsurface strata or medium, or the ambient air.

"Required Material Permits" has the meaning set forth in Section 9.2(g).

"Representatives" means a Person's officers, employees, counsel, accountants and other authorized representatives, agents and contractors.

"Sale" has the meaning set forth in Section 7.1(b)(i).

"Sale Hearing" has the meaning set forth in Section 7.1(b)(i).

"Sale Motion" has the meaning set forth in Section 7.1(b)(i).

"Sale Orders" means the orders of the U.S. Bankruptcy Court (the "U.S. Sale Order") and the Canadian Court (the "Canadian Sale Order"), substantially in the forms attached hereto as Exhibit E and Exhibit G, respectively, with such changes as are reasonably acceptable to Sellers, and with such changes that adversely impact the Purchaser as are acceptable to the Purchaser in its sole discretion.

"Schedule Delivery Date" has the meaning set forth in Section 8.15.

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"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Seller" has the meaning set forth in the Preamble.

"Seller Disclosure Letter" means the disclosure letter prepared and delivered by Sellers for and to the Purchaser pursuant to Section 8.15 which sets forth the exceptions to the representations and warranties contained herein and certain other information called for by this Agreement.

"Seller Intellectual Property" means any Intellectual Property that is owned by or licensed to any Allied Entity, and used, or held for use, in connection with the operation of the Business.

"Seller Plan" means any Employee Benefit Plan to which any Allied Entity is a party, with respect to which any Seller has any material Liability or obligation or which is maintained by any Seller and/or to which any Allied Entity contributes or is obligated to contribute with respect to current or former directors, officers, consultants, employees or independent contractors of any Allied Entity.

"Sellers' Documents" has the meaning set forth in Section 4.3.

"Sellers' Schedules" has the meaning set forth in Section 3.4(n).

"Sellers Fundamental Representations" means Section 4.1 (Corporate Organization and Qualification), Section 4.3 (Authority Relative to This Agreement), or the first sentence of Section 4.11 (Title to Assets).

"Successful Bidder" has the meaning given in the Bidding Procedures Order.

"Tax" and "Taxes" mean any and all taxes, charges, fees, tariffs, duties, impositions, levies or other assessments, imposed by any Governmental Body, and include any interest, penalties or additional amounts attributable to, or imposed upon, or with respect to, Taxes.

"Tax Period" means any period prescribed by any Governmental Body for which a Tax Return is required to be filed or a Tax is required to be paid.

"Tax Return" means any return, report, information return, declaration, claim for refund or other document (including any schedule or related or supporting information) supplied or required to be supplied to any Governmental Body with respect to Taxes, including amendments thereto.

"Transfer Taxes" has the meaning set forth in Section 11.1.

"Top Suppliers" has the meaning set forth in Section 4.20.

"Transaction Expenses" has the meaning set forth in Section 7.1(a).

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"Transferred Employee" has the meaning set forth in Section 6.1.

"U.S. Bankruptcy Court" has the meaning set forth in the Recitals.

"U.S. Sale Order" has the meaning set forth in the definition of Sale Orders in this Section 10.1.

"WARN Act" means the United States Worker Adjustment and Retraining Notification Act, as amended, and the rules and regulations promulgated thereunder.

"Wholly-Owned Subsidiaries" means any Person all of the equity interests in which are held as of the Closing either (a) directly or indirectly by the Purchaser, or (b) directly or indirectly by the Purchaser and/or the First Lien Lenders or their designees.

"Wind Down Budget" means a line item budget for the post-Closing wind down of the Sellers in form, substance and amount acceptable to Purchaser in its sole discretion.

ARTICLE XI.

TAXES

11.1 Additional Tax Matters.

(a) Any sales, use, excise, consumption, purchase, transfer, franchise, deed, fixed asset, stamp, documentary, or other similar Taxes ("Transfer Taxes") which may be payable by reason of the sale of the Purchased Assets or the assumption of the Assumed Liabilities under this Agreement or the transactions contemplated herein shall be borne and timely paid by the Purchaser. The Purchaser shall indemnify, defend (with counsel reasonably satisfactory to the other party), protect, and save Sellers from and against any and all claims, charges, interest or penalties assessed, imposed or asserted in relation to any such Transfer Taxes that the Purchaser is obligated to bear and pay pursuant to the preceding sentence of this Section 11.1(a). The Purchaser shall prepare or caused to be prepared and timely file or cause to be timely filed all Tax Returns required to be filed in respect of the Transfer Taxes required to be borne and paid pursuant to this Section 11.1(a).

(b) The Purchaser shall, within the later of (i) 90 days after the Closing Date, or (ii) 45 days prior to the date by which Allied's federal Income Tax Returns for the year in which the transactions contemplated hereunder are consummated must be filed, prepare and deliver to Allied a schedule allocating the Purchase Price (and any other items that are required for federal Income Tax to be treated as Purchase Price) among the Purchased Assets (such schedule, the "Allocation"). The Purchaser and Sellers shall report and file all Tax Returns (including amended Tax Returns and claims for refund) consistent with the Allocation, and shall take no position contrary thereto or inconsistent therewith (including, without limitation, in any audits or examinations by any Governmental Body or any other proceeding). In the event that any part of the Allocation is disputed by any Governmental Body, the party receiving notice of such dispute shall use reasonable efforts to notify the other party, and the Purchaser and Sellers shall cooperate in good faith in responding to such challenge to preserve the effectiveness of

such Allocation. The Purchaser and Sellers shall cooperate in the filing of any forms (including Form 8594 under Section 1060 of the Code) with respect to such Allocation, including any amendments to such forms required pursuant to this Agreement with respect to any adjustment to the Purchase Price. Notwithstanding any other provision of this Agreement, the terms and provisions of this Section 11.1(b) shall survive the Closing without limitation.

11.2 Canadian Tax Elections.

(a) Each Canadian Seller will jointly execute with Purchaser or the applicable designated Affiliate of Purchaser acquiring Purchased Assets from such Canadian Seller in the prescribed form, and Purchaser or such Affiliate will duly file within the required time, an election under Section 167(1) of the *Excise Tax Act* (Canada) to the effect that no Tax will be payable pursuant to the *Excise Tax Act* (Canada) with respect to the purchase and sale of the Purchased Assets hereunder.

(b) Each Canadian Seller will jointly execute with Purchaser or such Affiliate in the prescribed form and the Canadian Sellers will duly file within the required time, an election to have the rules in Section 22 of the *Income Tax Act* (Canada), and any equivalent or corresponding provision under applicable provincial or territorial Tax legislation, apply in respect of Accounts Receivable transferred hereunder.

ARTICLE XII.

MISCELLANEOUS

12.1 Payment of Expenses. Except as otherwise provided in Section 7.1(a), Sellers and the Purchaser shall bear their own expenses incurred or to be incurred in connection with the negotiation and execution of this Agreement and each other agreement, document and instrument contemplated by this Agreement and the consummation of the transactions contemplated hereby and thereby.

12.2 Survival of Representations and Warranties; Survival of Confidentiality. The parties hereto agree that the representations and warranties contained in this Agreement shall expire upon the Closing Date. The parties hereto agree that the covenants contained in this Agreement to be performed after the Closing shall survive in accordance with the terms of the particular covenant.

12.3 Entire Agreement; Amendments and Waivers. This Agreement (including the schedules and exhibits hereto), the Sellers' Documents and the Purchaser's Documents represent the entire understanding and agreement between the parties hereto with respect to the subject matter hereof. This Agreement may be amended, supplemented or changed, and any provision hereof may be waived, only by written instrument making specific reference to this Agreement signed by the party against whom enforcement of any such amendment, supplement, modification or waiver is sought. No action taken pursuant to this Agreement, including without limitation, any investigation by or on behalf of any party shall be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty, covenant or

agreement contained herein. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by applicable Law. Notwithstanding the foregoing or anything else to the contrary in this Agreement (including, without limitation, Section 12.10), the parties hereby acknowledge and agree that in the event that the Purchaser's Expense Reimbursement becomes payable and is paid by Sellers to the Purchaser, the Purchaser's Expense Reimbursement shall be the Purchaser's and its Affiliates' sole and exclusive remedy under this Agreement.

12.4 Counterparts. For the convenience of the parties hereto, this Agreement may be executed (by facsimile or PDF signature) in any number of counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

12.5 Governing Law. THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH FEDERAL BANKRUPTCY LAW, TO THE EXTENT APPLICABLE, AND WHERE STATE LAW IS IMPLICATED, THE LAWS OF THE STATE OF NEW YORK SHALL GOVERN, WITHOUT GIVING EFFECT TO THE CHOICE OF LAW PRINCIPLES THEREOF, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

12.6 Jurisdiction, Waiver of Jury Trial.

(a) THE BANKRUPTCY COURT WILL HAVE JURISDICTION OVER ANY AND ALL DISPUTES BETWEEN OR AMONG THE PARTIES, WHETHER IN LAW OR EQUITY, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY AGREEMENT CONTEMPLATED HEREBY; *PROVIDED*, *HOWEVER*, THAT IF THE BANKRUPTCY COURT IS UNWILLING OR UNABLE TO HEAR ANY SUCH DISPUTE, THE COURTS OF THE STATE OF NEW YORK AND THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN THE SOUTHERN DISTRICT OF THE STATE OF NEW YORK WILL HAVE SOLE JURISDICTION OVER ANY AND ALL DISPUTES BETWEEN OR AMONG THE PARTIES, WHETHER IN LAW OR EQUITY, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY AGREEMENT CONTEMPLATED HEREBY.

(b) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

12.7 Notices. Unless otherwise set forth herein, any notice, request, instruction or other document to be given hereunder by any party to the other parties shall be in writing and shall be deemed duly given (i) upon delivery, when delivered personally, (ii) one (1) Business

Day after being sent by overnight courier or when sent by facsimile transmission (with a confirming copy sent by overnight courier), and (iii) three (3) Business Days after being sent by registered or certified mail, postage prepaid, as follows:

If to Sellers:

Allied Systems Holdings, Inc.
2302 Parklake Drive
Building 15
Suite 600
Atlanta GA 30345
Attention: General Counsel

With a mandatory copy to (which copy shall not constitute notice):

Troutman Sanders LLP
600 Peachtree Street, N.E., Suite 5200
Atlanta, GA 30308
Attention: Stephen E. Lewis and Jeffrey W. Kelley
Email: stephen.lewis@troutmansanders.com;
jeffrey.kelley@troutmansanders.com

If to the Purchaser:

New Allied Acquisition Co. LLC
c/o Black Diamond Capital Management, L.L.C.
One Conway Park
100 Field Drive, Suite 170
Lake Forest IL 60045
Attention: Les Meier
Email: lmeier@bdcm.com

and

New Allied Acquisition Co. LLC
c/o Black Diamond Capital Management, L.L.C.
1 Sound Shore Dr.
Greenwich, CT 06830
Attention: Richard Ehrlich
Email: rehrlich@bdcm.com

and

New Allied Acquisition Co. LLC
c/o Spectrum Group Management
1250 Broadway
New York NY 10001

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Attention: Jeff Schaffer, Jeff Buller and Stephen Jacobs
Email: JSchaffer@spectrumgp.com, Jeffrey Buller and sjacobs@spectrumgp.com

With a mandatory copy to (which copy shall not constitute notice):

Schulte Roth & Zabel LLP
919 Third Avenue
New York, NY 10022
Attention: Adam Harris
Email: adam.harris@srz.com

or to such other Persons or addresses as may be designated in writing by the party to receive such notice.

12.8 Binding Effect; Assignment.

(a) This Agreement shall be binding upon the Purchaser and, subject to entry of the Bidding Procedures Order (with respect to the matters covered thereby) and the Sale Orders, Sellers, and inure to the benefit of the parties and their respective successors and permitted assigns, including, without limitation, any trustee or estate representative appointed in the Chapter 11 Case or any successor Chapter 7 case. Nothing in this Agreement shall create or be deemed to create any third party beneficiary rights in any Person or entity not a party to this Agreement. No assignment of this Agreement or of any rights or obligations hereunder may be made by Sellers or the Purchaser (by operation of law or otherwise) without the prior written consent of the other parties hereto and any attempted assignment without the required consents shall be void, except for designations by the Purchaser to a Designated Purchaser in accordance with Section 12.8(b).

(b) In connection with the Closing, notwithstanding anything to the contrary contained in this Agreement, the Purchaser shall be entitled to designate, in accordance with the terms of this paragraph, one or more Wholly-Owned Subsidiaries or Affiliates to (i) purchase and acquire specified Purchased Assets (including specified Assigned Contracts) and pay the corresponding Purchase Price amount and Cure Costs, as applicable, (ii) assume specified Assumed Liabilities and/or (iii) employ specified Transferred Employees on and after the Closing Date (any such Wholly-Owned Subsidiary or Affiliate of the Purchaser that shall be properly designated in accordance with this clause, a "Designated Purchaser"). Upon any such designation of a Designated Purchaser, such Designated Purchaser shall be solely responsible with respect to the payment of the corresponding Purchase Price and Cure Costs, the specified Assumed Liabilities and employment of the specified Transferred Employees. Any reference to the Purchaser made in this Agreement in respect of any purchase, assumption or employment referred to in this paragraph and in any representation, warranty or covenant contained in this Agreement, as applicable, shall be deemed a reference to the appropriate Designated Purchaser, if any, with respect to the given obligation, representation, warranty or covenant. All obligations of the Purchaser and the Designated Purchasers shall be several and not joint and, notwithstanding anything to the contrary contained in this Agreement, neither the Purchaser nor any Designated Purchaser shall have any obligation for any Assumed Liabilities assumed by any other Designated Purchaser in accordance with this paragraph. The above designations shall be

made by the Purchaser by way of a written notice to be delivered to the Sellers in no event later than the Business Day prior to Closing and include a signed counterpart to this Agreement in a form acceptable to the Sellers, agreeing to be bound by the terms of this Agreement as it relates to such Designated Purchaser and authorizing the Purchaser to act as such Designated Purchaser(s)' agent for all purposes hereunder. In addition, the parties agree to modify any Closing deliverables in accordance with the foregoing assignment(s).

12.9 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in a manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

12.10 Injunctive Relief. The parties agree that damages at Law may be an inadequate remedy for the breach of any of the covenants, promises and agreements contained in this Agreement by the other parties hereto, and, accordingly, each party shall be entitled to injunctive relief with respect to any breach by any other party hereto, including without limitation, specific performance of such covenants, promises or agreements or an order enjoining such party from any threatened, or from the continuation of any actual, breach of the covenants, promises or agreements contained in this Agreement by such party. Except as provided in the last sentence of Section 12.3, the rights set forth in this Section 12.10 shall be in addition to any other rights which the Purchaser may have at Law or in equity pursuant to this Agreement.

12.11 Non-Recourse. Except as expressly contemplated by this Agreement, no past, present or future director, officer, employee, incorporator, member, partner or equity holder of Sellers or the Purchaser shall have any liability for any obligations or liabilities of Sellers or the Purchaser under this Agreement or the Sellers' Documents or the Purchaser's Documents of or for any claim based on, in respect of, or by reason of, the transactions contemplated hereby and thereby.

12.12 No Waiver or Release. Notwithstanding anything herein to the contrary, except with respect to the Claim Contribution and the Claim Assignment, all terms, conditions, covenants, representations and warranties contained in the First Lien Loan Documents, and all rights, powers and remedies of the First Lien Agent and First Lien Lenders and all of the obligations of the Debtors (each as defined in the First Lien Credit Agreement and the First Lien Credit Documents) and other Credit (as defined in the First Lien Credit Agreement and the First Lien Credit Documents) thereunder, are reserved and are not amended, modified, limited or otherwise affected by the terms and conditions of this Agreement.

12.13 Time of the Essence. Time is of the essence in the performance of each of the obligations of the parties and with respect to all covenants and conditions to be satisfied by the parties in this Agreement and all documents, acknowledgments and instruments delivered in connection herewith.

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12.14 Certain Interpretations.

(a) Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply:

(i) All references in this Agreement to Articles, Sections, Schedules and Exhibits shall be deemed to refer to Articles, Sections, Schedules and Exhibits to this Agreement.

(ii) All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein shall be defined as set forth in this Agreement.

(iii) The Article, Section and paragraph captions herein are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof.

(iv) The words "include," "includes" and "including," when used herein shall be deemed in each case to be followed by the words "without limitation" (regardless of whether such words or similar words actually appear).

(v) When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, the period in question shall end on the next succeeding Business Day.

(vi) Any reference in this Agreement to $ shall mean U.S. dollars.

(vii) Any reference in this Agreement to gender shall include all genders, and words imparting the singular number only shall include the plural and vice versa.

(viii) The words such as "herein," "hereinafter," "hereof," and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires.

(b) The parties hereto agree that they have been represented by legal counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document shall be construed against the party drafting such agreement or document.

(c) the Purchaser acknowledges and agrees hereby that Sellers shall not be required to comply with the provisions of any bulk transfer laws of any jurisdiction in connection with the transactions contemplated by this Agreement.

[Remainder of page intentionally left blank]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the date first above written.

PURCHASER:

NEW ALLIED ACQUISITION CO. LLC

By: _____
Name: Stephen H. Deckoff
Title: Manager

By: _____
Name: Jeffrey A Schaffer
Title: Manager

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the date first above written.

PURCHASER:

NEW ALLIED ACQUISITION CO. LLC

By: _____
Name: Stephen H. Deckoff
Title: Manager

By: _____
Name: Jeffrey A Schaffer
Title: Manager

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the date first above written.

SELLERS:

ALLIED SYSTEMS HOLDINGS, INC.

By: _____
Name: John Blount
Title: Chief Administrative Officer, General Counsel, Senior Vice President and Secretary

ALLIED SYSTEMS, LTD. (L.P.)

By: Allied Automotive Group, Inc., its Managing General Partner

By: _____
Name: John Blount
Title: Senior Vice President and Secretary

ALLIED AUTOMOTIVE GROUP, INC.
ALLIED FREIGHT BROKER LLC
AXIS GROUP, INC.
COMMERCIAL CARRIERS, INC.
CORDIN TRANSPORT LLC
CT SERVICES, INC.
F.J. BOUTELL DRIVEAWAY LLC
GACS INCORPORATED
QAT, INC.
RMX LLC
TERMINAL SERVICES LLC
TRANSPORT SUPPORT LLC

By: _____
Name: John Blount
Title: Senior Vice President and Secretary

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ALLIED SYSTEMS (CANADA) COMPANY
AXIS CANADA COMPANY

By: _____
Name: John Blount
Title: Vice President and Secretary

AXIS ARETA, LLC
LOGISTIC SYSTEMS, LLC
LOGISTIC TECHNOLOGY, LLC

By: AX International Limited,
its Sole Member and Manager

By: _____
Name: John Blount
Title: Director and Vice President

[Signature pages to Asset Purchase Agreement]

TAB C

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This is Exhibit "C" referred to in the Affidavit of Ava Kim, sworn May 28, 2013

Commissioner for Taking Affidavits (or as may be)

TANYA ROCCA

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	**Chapter 11**
ALLIED SYSTEMS HOLDINGS, INC., *et al.*[1],	**Case No. 12-11574 (CSS)**
	(Jointly Administered)
Debtors.	**Re: Docket No. ____**

ORDER (A) APPROVING BID PROCEDURES, (B) APPROVING CURE PROCEDURES, (C) ESTABLISHING DATE FOR AUCTION AND APPROVING RELATED PROCEDURES, (D) APPROVING CREDIT BID AND STALKING HORSE PROTECTIONS, (E) SCHEDULING SALE HEARING AND RELATED DEADLINES, (F) APPROVING FORM AND MANNER OF NOTICES, AND (G) GRANTING RELATED RELIEF

This matter coming before the Court on the motion (the "**Motion**") pursuant to Sections 105(a), 363, 365, and 503(b) of title 11 of the United States Code (the "**Bankruptcy Code**"), and Rules 2002, 6004, 6006, and 9014 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and Rule 6004-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "**Local Rules**"), for entry of an order: (i) approving the bid procedures (the "**Bid Procedures**") substantially in the form attached hereto as **Exhibit 1**, including the Expense Reimbursement[2] as set forth in the asset purchase agreement (the "**Sale Agreement**") between the above-captioned debtors and debtors in possession (collectively, the "**Debtors**"), as sellers, and with an New Allied Acquisition Co. LLC (or its assignee or designee as contemplated by the Sale Agreement)

[1] The Debtors in these cases, along with the federal tax identification number (or Canadian business number where applicable) for each of the Debtors, are: Allied Systems Holdings, Inc. (58-0360550); Allied Automotive Group, Inc. (58-2201081); Allied Freight Broker LLC (59-2876864); Allied Systems (Canada) Company (90-0169283); Allied Systems, Ltd. (L.P.) (58-1710028); Axis Areta, LLC (45-5215545); Axis Canada Company (87568828); Axis Group, Inc. (58-2204628); Commercial Carriers, Inc. (38-0436930); CT Services, Inc. (38-2918187); Cordin Transport LLC (38-1985795); F.J. Boutell Driveway LLC (38-0365100); GACS Incorporated (58-1944786); Logistic Systems, LLC (45-4241751); Logistic Technology, LLC (45-4242057); QAT, Inc. (59-2876863); RMX LLC (31-0961359); Transport Support LLC (38-2349563); and Terminal Services LLC (91-0847582). The location of the Debtors' corporate headquarters and the Debtors' address for service of process is 2302 Parklake Drive, Bldg. 15, Ste. 600, Atlanta, Georgia 30345.

[2] Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

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(the "**Stalking Horse Purchaser**") an acquisition entity formed by Black Diamond Commercial Finance, L.L.C. and Spectrum Commercial Finance LLC, in their capacities as "Co-Administrative Agents" under the First Lien Credit Agreement at the direction of the BD/Spectrum Requisite Lenders, with respect to the proposed sale (the "**Sale**") of substantially all of the assets (as discussed in greater detail below, the "**Purchased Assets**"), (ii) scheduling a hearing (the "**Sale Hearing**") on the Sale and setting objection and bidding deadlines with respect to the Sale, (iii) approving the form and manner of notice of an auction for the Purchased Assets (the "**Auction**"), (iv) establishing procedures to determine cure amounts and deadlines for objections for certain contracts and leases to be assumed and assigned by the Debtors (the "**Assumed and Assigned Agreements**"), and (v) granting related relief; the Court having reviewed the Motion and conducted a hearing to consider the relief requested therein (the "**Bid Procedures Hearing**"); and the Court having considered the statements of counsel and the evidence presented at the Bid Procedures Hearing;

IT IS HEREBY FOUND AND DETERMINED THAT:

A. The Debtors have articulated good and sufficient reasons for, and the best interests of its estate will be served by, this Court granting the relief requested in the Motion, including approval of (i) the Bid Procedures, attached hereto as **Exhibit 1**; (ii) the Expense Reimbursement; (iii) the form and manner of notice of the Sale Notice, substantially in the form attached hereto as **Exhibit 2**; and (iv) the form and manner of the Cure Notice, substantially in the form attached hereto as **Exhibit 3**.

B. The proposed Sale Notice and the proposed Cure Notice are good, appropriate, adequate and sufficient, and are reasonably calculated to provide all interested parties with timely and proper notice of the Sale and the assumption and assignment of any

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executory contracts and unexpired leases contemplated in the Successful Bid, and no other or further notice is required for the Sale of the Purchased Assets to the Stalking Horse Purchaser (or the Successful Bidder, as applicable) and the assumption and assignment of any executory contracts and unexpired leases contemplated in the Successful Bid.

C. The Debtors have articulated good and sufficient reasons for, and the best interests of their estates will be served by, this Court scheduling an Auction and considering approval of the Sale and the transfer of the Purchased Assets to the Stalking Horse Purchaser or Successful Bidder free and clear of all liens, claims, interests and encumbrances pursuant to section 363 of the Bankruptcy Code.

D. The Expense Reimbursement to be paid to the Stalking Horse Purchaser, under the circumstances in the Sale Agreement, is: (i) an actual and necessary cost and super-priority administrative expense of preserving the Debtors' estates, within the meaning of section 503(b) of the Bankruptcy Code; (ii) commensurate to the real and substantial benefits conferred upon the Debtors' estate by the Stalking Horse Purchaser; (iii) reasonable and appropriate in light of the size and nature of the proposed Sale and comparable transactions; and (iv) necessary to induce the Stalking Horse Purchaser to continue to pursue the Sale.

E. Moreover, the Expense Reimbursement is an essential inducement and condition relating to the Stalking Horse Purchaser's entry into, and continuing obligations under, the Sale Agreement. The Expense Reimbursement induced the Stalking Horse Purchaser to submit a bid that will serve as a minimum or floor bid upon which the Debtors, their creditors and other Potential Bidders can rely. The Stalking Horse Purchaser has provided a material benefit to the Debtors and its creditors by increasing the likelihood that the best possible price for the Purchased Assets will be received. Accordingly, the Expense Reimbursement is reasonable

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and appropriate and represents the best method for maximizing value for the benefit of the Debtors' estates.

FURTHER, IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.

2. The Bid Procedures are hereby approved, are incorporated herein by reference, and shall govern all bids and bid proceedings relating to the Purchased Assets. The Debtors are authorized to take any and all actions necessary or appropriate to implement the Bid Procedures.

3. All Qualified Bids (as such term is defined in the Bid Procedures) must be received prior to **12:00 p.m. (Prevailing Eastern Time) on [_____], 2013** (the "**Bid Deadline**"), by each of the following: (i) the Debtors, Allied Systems Holdings, Inc., 2302 Parklake Drive, Bldg. 15, Ste. 600, Atlanta, Georgia 30345 (Attn: John Blount, Esq.); (ii) co-counsel to the Debtors, Troutman Sanders LLP, Bank of America Plaza, 600 Peachtree Street, Suite 5200, Atlanta, Georgia 30308 (Attn: Jeffrey W. Kelley, Esq.) and Richards, Layton & Finger, P.A., One Rodney Square, 920 N. King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq. and Christopher M. Samis, Esq.); (iii) the Debtors' investment banker, Rothschild Inc., 1251 Ave of the Americas, 51st Fl, New York, New York 10020 (Attn: Stephen Antinelli); (iv) the Office of the United States Trustee (the "**U.S. Trustee**"), 844 King Street, Suite 2207, Wilmington, Delaware, 19801 (Attn: David L. Buchbinder, Esq.); and (v) co-counsel to the Official Committee of Unsecured Creditors (the "**Committee**"), Sidley Austin LLP, 787 Seventh Avenue, New York, New York 10019 (Attn: Michael G. Burke, Esq.) and Sullivan Hazeltine Allinson LLC, 901 North Market Street, Suite 1300, Wilmington, Delaware 19801 (Attn: William D. Sullivan, Esq.). A Bid received after the Bid Deadline shall not constitute a Qualified Bid.

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4. The Sale Agreement is a Qualified Bid, and the Stalking Horse Purchaser is a Qualified Bidder, for all purposes and requirements pursuant to the Bid Procedures, notwithstanding the requirements that a Potential Bidder must satisfy to be a Qualified Bidder.

5. The Debtors shall have the right, but not the obligation, to deem any lender holding undisputed claims under the Prepetition First Lien Loan Agreement in excess of the principal amount of $10 million as a Qualified Bidder, and to permit such Qualified Bidder to participate in the Auction (as defined below) without prior compliance with the requirements that a Potential Bidder must satisfy to be a Qualified Bidder, provided however, that any offer submitted by such Qualified Bidder at or prior to the Auction shall otherwise comply with the requirements that must be satisfied in order to be deemed a Qualified Bid. Any Good Faith Deposit accompanying a Written Offer that the Debtors, after consultation with the Committee, determines not to be a Qualified Bid shall be returned promptly following such determination.

6. In their discretion, the Debtors, in consultation with the Committee, may choose to either consider or disregard Written Offers for an insubstantial portion of the Assets. Between the Bid Deadline and the Auction, the Debtors may negotiate with or seek clarification of any Written Offer or Qualified Bid from a Qualified Bidder (including for the purpose of having such Written Offer modified, amended or supplemented so as to become a Qualified Bid). Each Qualified Bidder shall provide to the Debtors any information reasonably required by the Debtors (which the Debtors may share with the Committee) in connection with the evaluation of a Written Offer or Qualified Bid within two (2) business days after such request is made. Without the consent of the Debtors, a Qualified Bidder may not amend, modify or withdraw its Qualified Bid, except for proposed amendments to increase the amount or otherwise improve the terms of the Qualified Bid, during the period that such Qualified Bid is required to remain

irrevocable and binding.

7. As promptly as practicable after a Potential Bidder delivers the documents and items required to submit above, and after consultation with the Committee, but in any event no later than one (1) business day prior to the Auction, the Debtors shall determine in their business judgment, and shall notify each Potential Bidder whether (i) such Potential Bidder is a Qualified Bidder and (ii) such Potential Bidder's Written Offer is a Qualified Bid. Each Qualified Bidder and the Committee will be given access to all Qualified Bids at such time. In evaluating any Qualified Bid or subsequent bid, the Debtors shall treat comparable credit bids and cash bids as equivalent and no credit bid shall be considered inferior to a comparable cash bid because it is a credit bid.

8. Each Qualified Bidder shall be deemed to acknowledge and represent that (i) it has had an opportunity to conduct any and all desired due diligence regarding the Assets prior to making its Qualified Bid, (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its Qualified Bid, and (iii) it did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Purchased Assets or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in these Bid Procedures or, as to the Successful Bidder, as set forth in the applicable agreement.

9. In the event that two (2) or more Qualified Bids are received, the Debtors shall conduct an Auction of the Purchased Assets. The Auction shall be held on **[_____], 2013 at [__:__] [_].m. (Prevailing Eastern Time)** at the offices of Richards, Layton and Finger, P.A. located at 920 N. King Street, Wilmington, DE 19801 and

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continue thereafter until completed. If there is only one (1) Qualified Bid submitted by the Bid Deadline (a **"Sole Qualified Bid"**), the Debtors shall not hold the Auction and instead shall request at the Sale Hearing that the Court approve the Sole Qualified Bid.

10. The Auction will be conducted openly, but only the Debtors, the Stalking Horse Purchaser, any representative of the Committee, any creditor of the Debtors that has provided written notice to the Debtors' counsel at least five (5) business days in advance of the Auction of his, her, or its intent to attend the Auction, any Qualified Bidder who has timely submitted a Qualified Bid, and Duff & Phelps Canada Restructuring Inc., the information officer appointed in the Canadian recognition proceeding, together with professional advisors to each of the foregoing, may attend the Auction. The Auction will be transcribed. Each Qualified Bidder participating at the Auction will be required to confirm that it has not engaged in any collusion with respect to the bidding or the Sale.

11. All Qualified Bidders at the Auction shall be deemed to have consented to the core jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction, and the construction and enforcement of the Qualified Bidders' asset purchase agreement, as applicable.

12. The Sale Notice and the Cure Notice, substantially in the forms attached hereto as **Exhibit 2** and **Exhibit 3**, respectively, are good and sufficient for all purposes.

13. Not later than three (3) business days after the entry of the Bid Procedures Order, the Debtors will serve copies of the Sale Notice, the Bid Procedures, and the Bid Procedures Order by mail, postage prepaid to: (i) all entities known to have expressed a *bona fide* interest in acquiring the Purchased Assets (by overnight mail); (ii) counsel to the Stalking Horse Purchaser; (iii) the U.S. Trustee; (iv) known entities holding or asserting a security

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interest in or lien against any of the Purchased Assets; (v) taxing authorities whose rights may be affected by a sale of the Purchased Assets; (vi) counsel to the Committee; (vii) all Attorneys General for the states in which the Debtors conduct business; (viii) all parties that have requested notice pursuant to Bankruptcy Rule 2002 as of the date of the entry of this Order; and (xi) (l) all parties listed on the Main Service List, the Supplemental Service List (Pensions) and the Supplemental Service List (Government Tax / Environmental Agencies) in the Canadian recognition proceeding.

14. Not later than ten (10) days after entry of the Bid Procedures Order, the Debtors will publish the Sale Notice in the national edition of *The Wall Street Journal* or *The New York Times*.

15. The Debtors shall prepare and serve on the non-Debtor parties to all potential Assumed and Assigned Agreements to be assigned to the Stalking Horse Purchaser (or the Successful Bidder, as applicable) the Cure Notice listing (i) the potential Assumed and Assigned Agreement(s), and (ii) the Cure Amount(s), if any, no later than five (5) business days before the Auction, to be assigned to the Stalking Horse Purchaser (or the Successful Bidder, as applicable). Together with the Cure Notice, the Debtors shall distribute to non-Debtor parties to all potential Assumed and Assigned Agreements evidence of the Stalking Horse Purchaser's ability to comply with section 365 of the Bankruptcy Code (to the extent applicable), including providing adequate assurance of the Stalking Horse Purchaser's ability to perform in the future the Assumed and Assigned Agreements.

16. The Sale Hearing will be held on **[_____], 2013 at [__:__] [_].m. (Prevailing Eastern Time)** at the United States Bankruptcy Court for the District of Delaware, located in 824 Market Street, 5th Floor, Courtroom 6, Wilmington, DE 19801

before The Honorable Christopher S. Sontchi. After consultation with the Committee and subject to prior written approval of the Replacement DIP Agents (as defined in the Replacement DIP Order), the Debtors may adjourn or continue the Sale Hearing from time to time without further notice to parties in interest other than by announcement of the adjournment in open court or on the Court's calendar on the date scheduled for the Sale Hearing or any adjourned date.

17. At the Sale Hearing, the Debtors shall present the results of the Auction to the Court and seek approval for the Successful Bid and the Backup Bid(s). Following the Sale Hearing approving the transaction with respect to the Assets to the Successful Bidder, if such Successful Bidder fails to consummate an approved transaction for any reason, the appropriate Backup Bidder(s) shall be designated the Successful Bidder and the Debtors shall be authorized to effect such transaction without further order of this Court. For the avoidance of doubt, payment of the Expense Reimbursement shall be a condition to the closing of any Alternative Transaction.

18. Objections to (i) approval of the Sale, including the Sale of the Purchased Assets free and clear of Liens, Claims and Interests and (ii) objections to the assumption and assignment of any executory contract or unexpired leases identified on the Cure Notice, including, but not limited to, objections relating to adequate assurance of future performance of the Stalking Horse Purchaser, any anti-alienation provision or other restriction on assumption or assignment, or to the Cure Costs set forth on the Cure Schedule (a **"Contract Objection"**), must be in writing, state the basis of such objection with specificity and be filed with this Court and served so as to be received on or before **[_____], 2013 at [__:__] [_].m. (Prevailing Eastern Time)** by each of the following: (i) the Debtors, Allied Systems Holdings, Inc., 2302 Parklake Drive, Bldg. 15, Ste. 600, Atlanta, Georgia 30345 (Attn: John Blount, Esq.);

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(ii) co-counsel to the Debtors, Troutman Sanders LLP, Bank of America Plaza, 600 Peachtree Street, Suite 5200, Atlanta, Georgia 30308 (Attn: Jeffrey W. Kelley, Esq.) and Richards, Layton & Finger, P.A., One Rodney Square, 920 N. King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq. and Christopher M. Samis, Esq.); (iii) Rothschild Inc., 1251 Ave of the Americas, 51st Fl, New York, New York 10020 (Attn: Stephen Antinelli); (iv) the U.S. Trustee, 844 King Street, Suite 2207, Wilmington, Delaware, 19801 (Attn: David L. Buchbinder, Esq.); (v) co-counsel to the Committee, Sidley Austin LLP, 787 Seventh Avenue, New York, New York 10019 (Attn: Michael G. Burke, Esq.) and Sullivan Hazeltine Allinson LLC, 901 North Market Street, Suite 1300, Wilmington, Delaware 19801 (Attn: William D. Sullivan, Esq.).; and (vi) co-counsel to the Stalking Horse Purchaser, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, NY 10022 (Attn: Adam Harris, Esq. and David M. Hillman, Esq.) and Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, DE 19899 (Attn: Adam Landis, Esq.); provided, however, if the Debtors amend the Cure Notice to add a contract or lease or to reduce the Cure Amount thereof, except where such reduction was upon mutual agreement of the parties, the non-Debtor parties to the added contract or lease or to the reduced Cure Amount contract or lease shall have until ten (10) days after such amendment to submit a Contract Objection; provided, further however, in the event that the Stalking Horse Purchaser is not the Successful Bidder for the Purchased Assets, within [_____] business days after the conclusion of the Auction for the Purchased Assets, the Debtors will serve a notice identifying the Successful Bidder to the non-debtor parties to the Assumed and Assigned Agreements that have been identified in the Bid of the Successful Bidder and the non-debtor parties to the Assumed and Assigned Agreements will have until [_____], **2013** (the "**Adequate Assurance Objection Deadline**") to object to the assumption, assignment, and/or transfer of such Assumed

and Assigned Agreement solely on the issue of whether the Successful Bidder can provide adequate assurance of future performance as required by Section 365 of the Bankruptcy Code (an "**Adequate Assurance Objection**").

19. Unless an objection to the assumption and assignment of an Assumed and Assigned Agreement is filed and served before the applicable objection deadline, all counterparties to the Assumed and Assigned Agreements shall be (i) forever enjoined and barred from objecting to the proposed Cure Amounts and from asserting any additional cure or other amounts with respect to the Assumed and Assigned Agreements, and the Debtors, their estates, the Stalking Horse Purchaser, or the Successful Bidder shall be entitled to rely solely upon the proposed Cure Amounts set forth in the Cure Notices; (ii) deemed to have consented to the Cure Amount; and (iii) forever barred and estopped from asserting or claiming against the Debtors, the Stalking Horse Purchaser or the Successful Bidder that any additional amounts are due or other defaults exist, that conditions to assignment must be satisfied under such Assumed and Assigned Agreements, or that there is any objection or defense to the assumption and assignment of such Assumed and Assigned Agreements.

20. The Debtors are authorized to pay, without further order of the Court, to the Stalking Horse Purchaser the Expense Reimbursement in the event that such Expense Reimbursement is payable under the terms of the Sale Agreement, on the terms set forth therein. The Expense Reimbursement shall be paid as super-priority administrative expenses of the Debtors pursuant to Section 503(b) of the Bankruptcy Code.

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21. The Court shall retain jurisdiction over any matter or dispute arising from or relating to the implementation of this Order.

Dated: May ___, 2013
Wilmington, Delaware

THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

TAB D

This is Exhibit "D" referred to in the Affidavit of Ava Kim, sworn May 28, 2013

Commissioner for Taking Affidavits (or as may be)

TANYA ROCCA

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	**Chapter 11**
ALLIED SYSTEMS HOLDINGS, INC., *et al.*[1],	**Case No. 12-11574 (CSS)**
Debtors.	**(Jointly Administered)**

BID PROCEDURES

1. These bid procedures (the "**Bid Procedures**") set forth the guidelines and process by which Allied Systems Holdings, Inc. ("**Allied**") and its affiliated debtors and debtors in possession (collectively, the "**Debtors**") shall market substantially all of their assets (the "**Assets**") for sale to interested parties and conduct a sale of such Assets through a court-approved auction (the "**Auction**").

2. On [_____], 2013, the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") entered its *Order (A) Approving Bid Procedures, (B) Approving Cure Procedures, (C) Establishing Date for Auction and Approving Related Procedures, (D) Approving Credit Bid and Stalking Horse Protections, (E) Scheduling Sale Hearing and Related Deadlines, (F) Approving Form and Manner of Notices, and (G) Granting Related Relief* [Docket No. [__]] (the "**Bid Procedures Order**"), thereby approving these Bid Procedures and scheduling a hearing on the Debtors' Sale Motion (as defined below) for **[_____], 2013 at [__]:[__] [_].m. (Prevailing Eastern Time)** (the "**Sale Hearing**").

[1] The Debtors in these cases, along with the federal tax identification number (or Canadian business number where applicable) for each of the Debtors, are: Allied Systems Holdings, Inc. (58-0360550); Allied Automotive Group, Inc. (58-2201081); Allied Freight Broker LLC (59-2876864); Allied Systems (Canada) Company (90-0169283); Allied Systems, Ltd. (L.P.) (58-1710028); Axis Areta, LLC (45-5215545); Axis Canada Company (87568828); Axis Group, Inc. (58-2204628); Commercial Carriers, Inc. (38-0436930); CT Services, Inc. (38-2918187); Cordin Transport LLC (38-1985795); F.J. Boutell Driveway LLC (38-0365100); GACS Incorporated (58-1944786); Logistic Systems, LLC (45-4241751); Logistic Technology, LLC (45-4242057); QAT, Inc. (59-2876863); RMX LLC (31-0961359); Transport Support LLC (38-2349563); and Terminal Services LLC (91-0847582). The location of the Debtors' corporate headquarters and the Debtors' address for service of process is 2302 Parklake Drive, Bldg. 15, Ste. 600, Atlanta, Georgia 30345.

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On [_____], 2013, the Ontario Superior Court of Justice (Commercial List) (the "**Canadian Court**") granted an Order recognizing the Bid Procedures Order in the proceedings of the Debtors pursuant to Part IV of the *Companies' Creditors Arrangement Act* (Canada). The Debtors have filed a motion to sell substantially all of their Assets to the entity that submits the highest or otherwise best offer at the Auction (the "**Sale Motion**"). The Debtors will seek to have any Order of the Bankruptcy Court approving the sale of the Assets recognized in Canada by a further order of the Canadian Court.

3. The Debtors provide these Bid Procedures for use by Potential Bidders (as defined below) and Qualified Bidders (as defined below) in submitting written bids proposing a transaction to purchase or otherwise acquire all or any portion of the Assets, and, as necessary, qualifying for and participating in the Auction. The Debtors seek to enter into one or more transactions with one or more Qualified Bidders, so long as the individual bid for all of the Assets by a Qualified Bidder or the bids for less than all of the Assets by two or more Qualified Bidders, in combination, represent the highest or otherwise best offer for all or substantially all of the Assets.

A. Important Dates

4. The Debtors shall, in their discretion and in consultation with the Consultation Party (as defined below):

- Assist Qualified Bidders in conducting their reasonable due diligence investigations;
- Negotiate, solicit and entertain offers for the sale of the Assets pursuant to the terms of these Bid Procedures;
- Accept Written Offers (as defined below) from Qualified Bidders until **[_]:00 p.m. (Prevailing Eastern Time) on [_____], 2013;**

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- Select the Successful Bidder and Backup Bidder(s) (each as defined below) at the conclusion of the Auction to be held on **[_____], 2013 at [__:__] [_].m. (Prevailing Eastern Time);**

- Seek authority to sell Assets to such Successful Bidder(s) at the Sale Hearing, to be held before the Bankruptcy Court on **[_____], 2013 at [__:__] [_].m. (Prevailing Eastern Time)**; and

- Seek an Order of the Canadian Court as soon as practicable following the Sale Hearing: (i) recognizing any sale approval Order granted by the Bankruptcy Court and (ii) vesting any applicable Assets that are situated in Canada ("**Canadian Assets**") in the applicable Successful Bidder(s).

B. Stalking Horse Agreement

5. On May 17, 2013, the Debtors agreed to a form of asset purchase agreement (the "**Agreement**") with an acquisition entity (or its assignee or designee as contemplated by the Agreement) (the "**Stalking Horse Purchaser**") formed by Black Diamond Commercial Finance, L.L.C. and Spectrum Commercial Finance LLC, in their capacity as "Administrative Agent" under the "Amended and Restated First Lien Secured Super-Priority Debtor In Possession and Exit Credit and Guaranty Agreement, dated as of May 15, 2007 (as amended from time to time, the "**Prepetition First Lien Loan Agreement**"). Pursuant to the Agreement, the Stalking Horse Purchaser shall acquire the Purchased Assets (as defined in the Agreement) under the terms and conditions set forth therein in exchange for the consideration described in section 2.1 of the Agreement (the "**Purchase Price**"). The Purchase Price includes a credit bid pursuant to Bankruptcy Code § 363(k) on account of a portion of the obligations owed by the Debtors under the Prepetition First Lien Loan Agreement. The transaction contemplated by the Agreement is subject to competitive bidding as set forth herein and Bankruptcy Court approval.

C. Assets to be Sold

6. The Debtors seek to sell the Assets as a going concern, provided that a sale so constituted would yield the highest or otherwise best offer for the Assets.

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D. **Confidentiality Agreements and Access to Data Room**

7. Any person or entity wishing to bid on any of the Assets (each, a "**Potential Bidder**") must (a) deliver to the Debtors, to the extent not already executed and delivered, a confidentiality agreement substantially on similar terms as that signed by the Stalking Horse Purchaser and in form acceptable to the Debtors (such a form is available upon request of the Debtors) and (b) disclose the identity of the Potential Bidder, including the identity of: (i) the equity holders and sponsors of the Potential Bidder; provided, however, that if the Potential Bidder is a publicly traded company then such Potential Bidder will only be required to disclose those equity holders who hold in excess of 5% of the equity of such Potential Bidder; and (ii) any guarantors of the obligations of the Potential Bidder in connection with a potential purchase of the Assets. The Stalking Horse Purchaser (and its respective designees, assignees, and successors) are automatically deemed to be Potential Bidders that have satisfied the requirements set forth in the preceding sentence.

8. The Debtors will afford any Potential Bidder who satisfies the requirement set forth in paragraph 7 such reasonable due diligence access or additional information as may be reasonably requested by the Potential Bidder that the Debtors, in their reasonable business judgment, determine to be reasonable and appropriate; provided that if any Potential Bidder is (or is affiliated with) a competitor of the Debtors, the Debtors, after consultation with the Consultation Party, will not be required to disclose to such Potential Bidder any trade secrets or proprietary information unless the confidentiality agreement executed by such Potential Bidder contains appropriate provisions to ensure that such trade secrets or proprietary information will not be used for an improper purpose or to gain an unfair competitive advantage. The Debtors and their advisors will coordinate all reasonable requests for additional information and due

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diligence access from such Potential Bidders. The Debtors shall not be obligated to furnish any due diligence information after the deadline for the submission of bids. The Debtors, their advisors and the Consultation Party are not responsible for, and will bear no liability with respect to, any information obtained by Potential Bidders in connection with due diligence. Notwithstanding anything contained herein to the contrary, the Debtors in their business judgment will decide what, if any, diligence information to make available to a particular Potential Bidder. "**Consultation Party**" means the professionals and advisors to the official committee of unsecured creditors appointed in these cases (the "**Committee**").

9. Potential Bidders seeking information about the qualification process, should contact the Debtors' financial advisor at:

Rothschild Inc.
1251 Avenue of the Americas, 51st Floor
New York, NY 10020
Attn: Marcelo Messer
Fax: (646) 390-7965
E-mail: marcelomesser@rothschild.com

10. A "Qualified Bidder" is a Potential Bidder (or a combination of Potential Bidders whose bids for the Assets of the Debtors do not overlap and who agree to have their bids combined for purposes of the determination of whether such Potential Bidders together constitute a Qualified Bidder) (i) that delivers a confidentiality agreement as set forth in paragraph 7 above (unless previously provided), (ii) that delivers by no later than [_____], **2013** financial information and credit-quality support or enhancement that demonstrate, in the Debtors' reasonable discretion, in consultation with the Consultation Party, the financial capability of the Potential Bidder to consummate the proposed transaction for the desired Assets, (iii) that the Debtors determine, in their reasonable discretion, in consultation with the Consultation Party, is reasonably likely to submit a bona fide offer for the Assets and will be able

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to consummate such transaction if selected as the Successful Bidder within the time frame set forth in these Bid Procedures, and (iv) who submits a Qualified Bid as set forth in Section E below by the Bid Deadline; provided however that the Stalking Horse Purchaser shall be excused from the requirement in clause (ii) immediately above.

11. Potential Bidders requesting information in connection with their due diligence should contact the Debtors' representative at the address provided above.

E. Requirements for a Qualified Bid

12. To participate in the Auction, if any, a Qualified Bidder must deliver to the Debtors a written offer (each, a "**Written Offer**"), which, in order to be deemed a "Qualified Bid," must meet each of the requirements listed below:

i. The consideration must include cash equal to, or in excess of, the **sum** of the following:

(a) an amount sufficient to pay the DIP Payment (as defined in section 2.1(a)(i) of the Sale Agreement); plus

(b) an amount equal to the Wind Down Budget Consideration (as defined in section 2.1(a)(ii) of the Sale Agreement); plus

(c) an amount equal to the Additional Cash Consideration; plus

(d) an amount equal to the Claim Contribution (as defined in section 2.1(a)(iii) of the Sale Agreement); plus

(e) $5 million; and

In addition, the Qualified Bidder's bid must provide for the assumption of the Assumed Liabilities (as defined in the Agreement);

ii. Include a good faith deposit (the "**Good Faith Deposit**") in the form of a certified check, wire transfer or such other form of a cash equivalent as is reasonably acceptable to the Debtors (in consultation with the Consultation Party) in an amount equal to 10% of the aggregate value of the Qualified Bidder's bid;

iii. Be on terms that, in the business judgment of the Debtors (after consultation with the Consultation Party) are substantially the same or better than the terms of the Agreement. The Qualified Bidder's bid must be accompanied

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by a clean, duly executed and binding purchase agreement in a form acceptable to the Debtors in their reasonable discretion together with a blacklined copy marked to show all changes from the Agreement with the Stalking Horse Purchaser filed with the Court at Docket No. [__] and posted in the data room. A Written Offer must also be accompanied by all exhibits and schedules contemplated by the purchase agreement, and, to the extent required by the terms and conditions of such bid, any ancillary agreements as described in the purchase agreement with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such agreements) (collectively, with the purchase agreement, a "**Modified Agreement**");

iv. The Modified Agreement must contain a covenant that the Qualified Bidder shall make all necessary filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or other applicable competition laws or regulations, if any, and pay all costs and expenses of such filings (including the Debtors' costs and expenses);

v. Be accompanied by a list of any executory contracts or unexpired leases that are to be assumed and/or assigned under such Written Offer and/or specify whether the final assumption and assignment of such contracts and leases is subject to any "designation rights" period;

vi. State that the bidder will: (a) consummate and fund the proposed transaction by no later than the outside Closing Date set forth in the Agreement (the "**Closing Deadline**"); and (b) in the event that the bidder is selected as a Backup Bidder, keep its offer to purchase the Assets open until 5:00 p.m. Eastern Time) on the fifth (5th) business day following the date set for the closing of the sale to the Successful Bidder (the "**Backup Bid Closing Deadline**");

vii. To the extent not previously provided, state that the Qualified Bidder is financially capable of consummating the transactions contemplated by the Modified Agreement and any related transaction documents (the "**Sale**"), and include written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the Sale, that (a) provides for the Debtors as a third party beneficiary of such commitment for financing and (b) will allow the Debtors, in consultation with the Consultation Party, to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the Sale;

viii. Include current audited financial statements and latest unaudited financial statements of the Qualified Bidder or, if the Qualified Bidder is an entity formed for the purpose of acquiring the Assets, current audited financial statements and latest unaudited financial statements of the equity holders or sponsors of the Qualified Bidder who will guarantee the obligations of the Qualified Bidder, or such other form of financial disclosure and/or credit-

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quality support or enhancement, if any, that will allow the Debtors, in consultation with the Consultation Party, to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the Sale;

ix. Include an acknowledgement and representation that the Qualified Bidder: (a) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid; (b) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Assets or the completeness of any information provided in connection therewith or the Auction other than as provided in the Modified Agreement and (c) is not entitled to any expense reimbursement, break-up fee or similar type of payment in connection with its bid;

x. Include evidence of the Qualified Bidder's ability to comply with section 365 of the Bankruptcy Code (to the extent applicable), including providing adequate assurance of such Qualified Bidder's ability to perform in the future the contracts and leases proposed in its bid to be assumed by the Debtors and assigned to the Qualified Bidder, in a form that will permit the immediate dissemination of such evidence to the counterparties to such contracts and leases;

xi. To the Debtors' satisfaction, fully disclose (a) the identity of each entity that will be bidding for the Assets or otherwise participating in connection with such bid, (b) the terms of any such participation, and (c) if an entity has been formed for the purpose of acquiring some, or all, of the Assets, the parties that will bear liability for any breach by such entity, and the financial capacity of such parties to satisfy such liability;

xii. State that the Written Offer is irrevocable until the later of (a) the closing of the transaction, if such Qualified Bidder is designated as a Successful Bidder and (b) the Backup Bidder Closing Deadline;

xiii. Must contain provisions allowing the Debtors' reasonable access to the Debtors' books and records for the administration of their bankruptcy cases if any agreement provides for the purchase of such books and records;

xiv. Not contain any due diligence or financing contingencies as determined by the Debtors in their reasonable discretion;

xv. In the Debtors' discretion, provide evidence of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the Modified Agreement to the Debtors' satisfaction;

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xvi. All documentation submitted in support of the Written Offer must be submitted both in hard copy and electronically;

13. The Agreement with the Stalking Horse Purchaser is automatically deemed a Qualified Bid and the Stalking Horse Purchaser is automatically deemed a Qualified Bidder. The Debtors shall have the right, but not the obligation, to deem any lender holding undisputed claims under the Prepetition First Lien Loan Agreement in excess of the principal amount of $10 million as a Qualified Bidder, and to permit such Qualified Bidder to participate in the Auction (as defined below) without prior compliance with the requirements of paragraph 12, provided however, that any offer submitted by such Qualified Bidder at or prior to the Auction shall comply with the requirements of paragraph 12. Any Good Faith Deposit accompanying a Written Offer that the Debtors determine not to be a Qualified Bid shall be returned promptly following such determination.

14. In their discretion, the Debtors, in consultation with the Consultation Party, may choose to either consider or disregard Written Offers for an insubstantial portion of the Assets. Between the Bid Deadline and the Auction, the Debtors may negotiate with or seek clarification of any Written Offer or Qualified Bid from a Qualified Bidder (including for the purpose of having such Written Offer modified, amended or supplemented so as to become a Qualified Bid). Each Qualified Bidder shall provide to the Debtors any information reasonably required by the Debtors (which the Debtor may share with the Consultation Party) in connection with the evaluation of a Written Offer or Qualified Bid within two (2) business days after such request is made. Without the consent of the Debtors, a Qualified Bidder may not amend, modify or withdraw its Qualified Bid, except for proposed amendments to increase the amount or otherwise improve the terms of the Qualified Bid, during the period that such Qualified Bid is required to remain irrevocable and binding.

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F. Bid Deadline

15. All Qualified Bids must be received prior to [__:__] [_].m. **(Prevailing Eastern Time) on [_____], 2013** (the "**Bid Deadline**"), by each of the following:

Debtors: Allied Systems Holdings, Inc.
2302 Parklake Drive
Building 15, Suite 600
Atlanta, GA 30345
Attn: Scott Macaulay
Fax: 404-687-568
E-mail:Scott.Macaulay@AlliedAutomotive.com

Debtors' Counsel: Troutman Sanders LLP
600 Peachtree St. NE, Suite 5200
Atlanta, GA 30308
Attn: Jeffrey W. Kelley
Fax: (404) 885-3900
E-mail:jeffrey.kelley@troutmansanders.com

-and-

Richards, Layton & Finger, P.A.
One Rodney Square
920 North King Street
Wilmington, Delaware 19801
Attn: Mark D. Collins
Fax: (302) 651-7701
E-mail: Collins@rlf.com

Debtors' Financial Advisor: Rothschild, Inc.
1251 Avenue of the Americas, 51st Floor
New York, New York 10020
Attn: Todd R. Snyder
Stephen J. Antinelli
Fax: 646.390.8741
E-mail: stephen.antinelli@rothschild.com

G. Determination of Qualified Bidder and Qualified Bids

16. As promptly as practicable after a Potential Bidder delivers the documents and items required by Section E above, and after consultation with the Consultation Party, but in any event no later than one (1) business day prior to the Auction, the Debtors shall determine in their

business judgment, and shall notify each Potential Bidder whether (i) such Potential Bidder is a Qualified Bidder and (ii) such Potential Bidder's Written Offer is a Qualified Bid. Each Qualified Bidder and the Consultation Party will be given access to all Qualified Bids at such time. In evaluating any Qualified Bid or subsequent bid, the Debtors shall treat comparable credit bids and cash bids as equivalent and no credit bid shall be considered inferior to a comparable cash bid because it is a credit bid.

H. "As Is, Where Is"

17. Except as otherwise provided in the applicable agreement, the sale of any or all of the Assets shall be on an "as is, where is" basis and without representations or warranties of any kind, nature or description by the Debtors, their agents or their estates except to the extent set forth in the applicable agreement of the Successful Bidder(s) as approved by the Bankruptcy Court. Except as otherwise provided in the applicable agreement, and subject to the Bankruptcy Court's approval, all of the Debtors' right, title and interest in and to the Assets subject thereto shall be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon and there against (collectively, the "**Interests**") subject to and in accordance with sections 363 and 365 of the Bankruptcy Code (and, with respect to any Canadian Assets, the terms of the vesting Order of the Canadian Court), with such Interests to attach to the net proceeds of the sale of the Assets. Each Qualified Bidder shall be deemed to acknowledge and represent that (a) it has had an opportunity to conduct any and all desired due diligence regarding the Assets prior to making its Qualified Bid, (b) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its Qualified Bid, and (c) it did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied, by

operation of law or otherwise, regarding the Assets or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in these Bid Procedures or, as to the Successful Bidder, as set forth in the applicable agreement.

I. Auction

18. In the event that two or more Qualified Bids are received, the Debtors shall conduct an Auction of the Assets. The Auction shall be held on [_____] **at** [__:__] [_].**m. (Prevailing Eastern Time)** at the offices of Richards, Layton and Finger, P.A. located at 920 N. King Street, Wilmington, DE 19801, and continue thereafter until completed. The Debtor may not cancel the Auction except in the circumstances described in Section J below.

19. Except as otherwise permitted in the Debtors' discretion, in consultation with the Consultation Party, only the (i) Debtors, (ii) the Consultation Party, (iii) the Office of the United States Trustee for the District of Delaware, (iv) Qualified Bidders, (v) any creditor of the Debtors that has provided written notice to the Debtors' counsel at least five (5) business days in advance of the Auction of his, her, or its intent to attend the Auction, (vi) Duff & Phelps Canada Restructuring Inc., the information officer appointed in the Canadian recognition proceeding, and (vii) the respective professionals of the foregoing, shall be entitled to attend the Auction. Only a Qualified Bidder that submitted a Qualified Bid is eligible to participate in the Auction.

20. The Auction shall be governed by the following procedures:

i. Qualified Bidders shall appear at the Auction in person, or through a duly authorized representative.

ii. The Debtors, in their reasonable discretion, and in consultation with the Consultation Party, may conduct the Auction in the manner that they determine in their reasonable business judgment will result in the Successful Bid(s) that will maximize the overall value of the Debtors' estates. The Debtors, with the prior written consent of the Replacement DIP Agents (as defined in the Replacement DIP Order) may adopt and modify rules for the Auction at the Auction that, in the Debtors' reasonable business judgment and in consultation with the Consultation Party, will

better promote the goals of the Auction and that are not inconsistent with any of the provisions of the Bid Procedures Order, the Bankruptcy Code, or any order of the Bankruptcy Court. All such rules will provide that: (i) the Auction procedures must be fairly and evenly administered, and not intended to cause any participating Qualified Bidder to be disadvantaged in any material way with respect to the process as compared to any other participating Qualified Bidder; and (ii) the Consultation Party and all participating Qualified Bidders shall be entitled to be present for all bidding with the understanding that the true identity of each bidder (i.e., the principals submitting each bid) shall be fully disclosed to all other participating Qualified Bidders and that all material terms of each Qualified Bid will be fully disclosed to all other bidders throughout the entire Auction. Each bid by a Qualified Bidder at the Auction, if not inconsistent with the provisions of these Bid Procedures, shall be deemed to constitute a Qualified Bid. The deadlines set forth in these Bid Procedures, including the deadlines set forth in section 4 above, shall not be extended without the prior written consent of the Replacement DIP Agents.

iii. The Debtors will arrange for the actual bidding at the Auction to be transcribed.

iv. Each Qualified Bidder participating in the Auction will be expected to confirm at the Auction that it has not engaged in any collusion regarding these Bid Procedures with any other Qualified Bidder, the Auction or any proposed transaction relating to the Assets or a portion thereof.

v. At least one day in advance of the Auction, the Debtors will notify all Qualified Bidders of the highest or otherwise best Qualified Bid (the "**Opening Bid**"), as determined by the Debtors in consultation with the Consultation Party.

vi. The Auction will begin initially with the Opening Bid and shall proceed thereafter in minimum increments of at least $500,000, with the specific increments for each round of bidding to be announced on the record at the Auction.

vii. All Qualified Bidders shall have the right, at any time, to request that the Debtors announce, subject to any potential new bids, the then current highest or otherwise best bid.

viii. In the Debtors' discretion and upon consultation with the Consultation Party, all Qualified Bidders shall have the right to submit additional bids and make additional modifications to their purchase agreement or Modified Agreement, as applicable, at the Auction: provided, however, that any such modifications to a purchase agreement or Modified Agreement, on an aggregate basis and viewed in whole, shall not be less favorable to the

Debtors as determined by the Debtors, and in consultation with the Consultation Party.

ix. Upon conclusion of the bidding, the Auction shall be closed, and the Debtors shall, as soon as practicable thereafter, and after consultation with the Consultation Party, identify and determine in its reasonable business judgment the highest or otherwise best Qualified Bid for the Assets (each, a "**Successful Bid**" and the entity or entities submitting such Successful Bid, each, a "**Successful Bidder**"), and advise the Qualified Bidders of such determination, and require the Successful Bidder to deliver its executed purchase agreement or Modified Agreement (together, the "**Successful Purchase Agreement**") and to deposit an amount equal to at least 10% of the aggregate cash components of its Successful Bid in the form of a certified check, wire transfer or such other form of a cash equivalent as is reasonably acceptable to the Debtors (in consultation with the Consultation Party) or such other form as approved by the Court (the "**Successful Bidder Deposit**") (provided that such Successful Bidder's Good Faith Deposit shall be applied and credited towards such Successful Bidder Deposit) within two (2) business days after conclusion of the Auction (unless the closing of the transaction reflected in the Successful Bid occurs prior to such time), but in no event later than the commencement of the Sale Hearing; provided further that the Stalking Horse Purchaser shall not be required to provide the Successful Bidder Deposit if the Agreement is the Successful Purchase Agreement.

x. In addition, the Debtors will determine, after consultation with the Consultation Party, which Qualified Bid, if any, is the next highest or otherwise best Qualified Bid and designate such Qualified Bid as a "Backup Bid" in the event the Successful Bidder fails to consummate the contemplated transaction. A Qualified Bidder that submitted a Qualified Bid that is designated a Backup Bid is a "Backup Bidder."

xi. At the conclusion of the Auction, the Debtors may request, and upon such request the Successful Bidder and the Backup Bidder shall, recite on the record of the Auction any and all key terms of the Successful Bid and the Backup Bid, respectively, to ensure the accuracy of the final bids and to aid in the final documentation of the Sale.

xii. Following the conclusion of the Auction for the sale of substantially all of the Assets or the closing of the Sale, as the case may be, the Debtors, after consultation with the Consultation Party, may resume bidding pursuant to such procedures determined by the Debtors in their discretion, and in consultation with the Consultation Party, for the sale of discrete Assets not sold to the Successful Bidder.

xiii. All Qualified Bidders at the Auction shall be deemed to have consented to the core jurisdiction of the Bankruptcy Court and waived any right to a jury

trial in connection with any disputes relating to the Auction, and the construction and enforcement of the Qualified Bidders' asset purchase agreement, as applicable. All Qualified Bidders at the Auction shall be deemed to have consented to the jurisdiction of the Canadian Court with respect to the vesting of any Canadian Assets in the applicable Successful Bidder(s).

J. Sole Qualified Bid

21. If there is only one Qualified Bid submitted by the Bid Deadline (a "**Sole Qualified Bid**"), the Debtors shall not hold the Auction and instead shall request at the Sale Hearing that the Bankruptcy Court approve the Sole Qualified Bid.

K. Sale Hearing

22. The Sale Hearing will be held on **[_____], 2013 at [__:__] [_].m. (Prevailing Eastern Time)** at the United States Bankruptcy Court for the District of Delaware, located in 824 Market Street, Courtroom 6, Wilmington, DE 19801. After consultation with the Consultation Party and subject to prior written approval of the Replacement DIP Agents, the Debtors may adjourn or continue the Sale Hearing from time to time without further notice to parties in interest other than by announcement of the adjournment in open court or on the Bankruptcy Court's calendar on the date scheduled for the Sale Hearing or any adjourned date. At the Sale Hearing, the Debtors shall present the results of the Auction to the Bankruptcy Court and seek approval for the Successful Bid and the Backup Bid(s). As soon as practicable following the granting of any sale approval Order by the Bankruptcy Court, the Debtors will seek recognition of such sale approval Order by the Canadian Court. In the course of seeking such recognition, the Debtors will seek a vesting Order in respect of any applicable Canadian Assets confirming that such Canadian Assets vest in the Successful Bidder free and clear of all Interests upon the consummation of the approved transaction.

23. Following the Sale Hearing approving the transaction with respect to the Assets to the Successful Bidder, if such Successful Bidder fails to consummate an approved transaction for any reason, the appropriate Backup Bidder(s) shall be designated the Successful Bidder and the Debtors shall be authorized to effect such transaction without further order of the Bankruptcy Court or the Canadian Court. The Successful Bidder and Backup Bidder (if any) should be represented by counsel at the Sale Hearing.

L. Consummation of the Purchase

A. (i) Closing Deadline

24. The Successful Bidder shall consummate the sale transaction contemplated by the Successful Bid (the "**Purchase**") on or before the Closing Deadline. Subject to the terms of the Successful Purchase Agreement and the Replacement DIP Order,[2] the Debtors may, in consultation with the Consultation Party, extend the Closing Deadline from time to time in their reasonable business judgment. If a Successful Bidder successfully consummates an approved transaction by the Closing Deadline, its Successful Bidder Deposit shall be applied to the purchase price in such transaction.

25. If the Successful Bidder either fails to consummate the Purchase on or before the Closing Deadline, breaches the Successful Purchase Agreement, or otherwise fails to perform, the Debtors may, in their business judgment, and in consultation with the Consultation Party, and without further order of the Bankruptcy Court, deem the Successful Bidder to be a "**Defaulting Buyer**," at which time the Successful Bid shall be deemed rejected.

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[2] The "**Replacement DIP Order**" means the "Order Pursuant to 11 U.S.C §§ 105, 361, 362, 363(c), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e), 503(b) and 507(a), Fed. R. Bankr. P. 2002, 4001 and 9014 and Del. Bankr. L.R. 4001-2: (i) Authorizing Debtors to (A) Obtain Postpetition Secured Replacement DIP Financing and (b) Use Cash Collateral; (ii) Granting Superpriority Liens and Providing for Superpriority Administrative Expense Status; (iii) Granting Adequate Protection To Prepetition Secured Lenders; (iv) Modifying Automatic Stay; and (v) Scheduling a Final Hearing Pursuant to Bankruptcy Rules 4001(b) and (c)" entered on May [__], 2013 (Dkt No. [__]).

26. The Debtors shall be entitled to (i) retain and apply the Successful Bidder Deposit as part of the Debtors' damages resulting from the breach or failure to perform by the Defaulting Buyer, and, (ii) subject to any limitation on damages set forth in the purchase agreement between the Defaulting Buyer and the Debtors, seek specific performance and all available damages from such Defaulting Buyer occurring as a result of such Defaulting Buyer's failure to perform.

B. (ii) Backup Purchase

27. Upon a determination by the Debtors, after consultation with the Consultation Party, that the Successful Bidder is a Defaulting Buyer, the Debtors will be authorized, but not required, to consummate a sale transaction with the Backup Bidder on the terms and conditions of the Backup Bid (the "**Backup Purchase**") without further order of the Bankruptcy Court provided that the Bankruptcy Court approves such Backup Purchase at the Sale Hearing.

28. If a Backup Bidder consummates a Backup Purchase, the Good Faith Deposit of such Backup Bidder will be applied to the purchase price in such transaction. On an as-needed basis, the Debtors, in the exercise of their business judgment and after consultation with the Consultation Party, shall determine an alternative Closing Deadline for the Backup Purchase provided that such Closing Deadline shall not be later than the Backup Bid Closing Deadline. In the event that the Debtors seek to consummate a Backup Purchase with a Backup Bidder and such Backup Bidder fails to consummate the Backup Purchase on or before the alternative Closing Deadline, breaches its purchase agreement or Modified Agreement or otherwise fails to perform, the Debtors may, in their business judgment and after consultation with the Consultation Party, and without further order of the Bankruptcy Court or the Canadian Court, deem such Backup Bidder to be a Defaulting Buyer and pursue the same remedies as set forth in paragraph 26 above (including, but not limited to, retaining and applying the Backup Bidder's

Good Faith Deposit as part of the Debtors' damages resulting from the breach or failure to perform by the Backup Bidder).

M. Return of Good Faith Deposits

29. Good Faith Deposits of all Qualified Bidders shall be held in an escrow account. Except for the Successful Bidder and the Backup Bidder(s), the Debtors shall return the Good Faith Deposits of all Qualified Bidders that submit Written Offers no later than three (3) business days after the conclusion of the Auction. The Good Faith Deposit of any Backup Bidder shall be returned to the Backup Bidder on the earlier to occur of (a) the Backup Bidder Closing Deadline or (b) two (2) business days after the consummation of the Sale to the Successful Bidder.

TAB E

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This is Exhibit "E" referred to in the Affidavit of Ava Kim, sworn May 28, 2013

Commissioner for Taking Affidavits (or as may be)

TANYA ROCCA

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	**Chapter 11**
ALLIED SYSTEMS HOLDINGS, INC., *et al.*[1],	**Case No. 12-11574 (CSS)**
	(Jointly Administered)
Debtors.	**Re: Docket No. ___**

NOTICE OF BID DEADLINE, AUCTION, AND SALE HEARING IN CONNECTION WITH THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS

NOTICE IS HEREBY GIVEN as follows:

1. On May 17, 2013, the above-captioned debtors and debtors-in-possession (collectively, the "**Debtors**") filed a motion seeking approval of, among other things, (a) bid procedures (the "**Bid Procedures**") in connection with the sale (the "**Sale**") of substantially all of the Debtors' assets (the "**Purchased Assets**"), (b) procedures to determine cure amounts and deadlines for objections to certain contracts and leases to be assumed and assigned by the Debtors, (c) the date, time, and place for a sale hearing (the "**Sale Hearing**") and for objections to the Sale, and (d) related relief with the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**"). By order dated [_____], 2013 [Docket No. _____], the Bankruptcy Court approved the Bid Procedures (the "**Bid Procedures Order**").[2]

2. The Debtors prepared a form of asset purchase agreement (the "**Agreement**") with an acquisition entity (or its assignee or designee as contemplated by the Sale Agreement) (the "**Stalking Horse Purchaser**") formed by Black Diamond Commercial Finance, L.L.C. and Spectrum Commercial Finance LLC, in their capacities as "Co-Administrative Agents" under the First Lien Credit Agreement for the sale of the Purchased Assets free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon to the maximum extent permitted by Section 363 of the Bankruptcy Code, but as set forth in the Bid Procedures, the sale of the Purchased Assets remains subject to competing offers from any prospective bidder that submits a Qualified Bid.

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[1] The Debtors in these cases, along with the federal tax identification number (or Canadian business number where applicable) for each of the Debtors, are: Allied Systems Holdings, Inc. (58-0360550); Allied Automotive Group, Inc. (58-2201081); Allied Freight Broker LLC (59-2876864); Allied Systems (Canada) Company (90-0169283); Allied Systems, Ltd. (L.P.) (58-1710028); Axis Areta, LLC (45-5215545); Axis Canada Company (87568828); Axis Group, Inc. (58-2204628); Commercial Carriers, Inc. (38-0436930); CT Services, Inc. (38-2918187); Cordin Transport LLC (38-1985795); F.J. Boutell Driveway LLC (38-0365100); GACS Incorporated (58-1944786); Logistic Systems, LLC (45-4241751); Logistic Technology, LLC (45-4242057); QAT, Inc. (59-2876863); RMX LLC (31-0961359); Transport Support LLC (38-2349563); and Terminal Services LLC (91-0847582). The location of the Debtors' corporate headquarters and the Debtors' address for service of process is 2302 Parklake Drive, Bldg. 15, Ste. 600, Atlanta, Georgia 30345.

[2] Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Bid Procedures Order.

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3. All interested parties are invited to submit a Qualified Bid and to make offers to purchase the Purchased Assets in accordance with the terms of the Bid Procedures and the Bid Procedures Order. The Bid Deadline is [_____], [___], **2013, at 12:00 p.m. (Prevailing Eastern Time)**. Requests for any other information concerning the Bid Procedures or the Sale should be directed by written request to the undersigned Debtors' counsel.

4. Pursuant to the Bid Procedures Order, in the event the Debtors receive one or more Qualified Bids in addition to the bid of the Stalking Horse Purchaser on or before the Bid Deadline, the Debtors shall conduct the Auction for the purpose of determining the highest and best bid for the Purchased Assets. Only (a) the Debtors and their counsel, (b) the Stalking Horse Purchaser and its counsel, (c) other Qualified Bidders and their counsel, (d) any creditor of the Debtors that has provided written notice to the Debtors' counsel at least five (5) business days in advance of the Auction of his, her, or its intent to attend the Auction, (e) professionals and advisors of the Committee, and (f) representatives of the Office of the U.S. Trustee, shall be permitted to attend the Auction and only the Stalking Horse Purchaser and other Qualified Bidders may be entitled to make any subsequent Qualified Bids at the Auction. The Auction will be held at [_____], **on** [_____ ___], **2013, at 10:00 a.m. (Prevailing Eastern Time)**, or at such other place and time as the Debtors shall notify all parties that submitted Qualified Bids, or that are otherwise entitled to attend the Auction.

5. At the Sale Hearing on [_____] [___], **2013, at** [__:__ _].**m. (Prevailing Eastern Time)** or such other time as the Bankruptcy Court shall determine, the Debtors intend to seek the Bankruptcy Court's approval of the sale of the Purchased Assets and the assumption and assignment of certain unexpired leases and executory contracts (collectively, the "**Assumed and Assigned Agreements**") to the Stalking Horse Purchaser pursuant to the terms of the Sale Agreement, or to the Successful Bidder at the Auction, as applicable. In determining the Successful Bidder, in addition to the amount of cash or cash equivalent consideration offered, the Debtors will consider, among other factors, the assumption of liabilities contemplated by each Qualified Bid. The Sale Hearing will be held before the Honorable Christopher S. Santchi, at the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 5th Floor, Wilmington, Delaware, 19801.

6. At the Sale Hearing, the Bankruptcy Court may enter such orders as it deems appropriate under applicable law and as required by the circumstances and equities of these Chapter 11 cases. Objections, if any, to the Sale of the Purchased Assets or the assumption and assignment of the Assumed and Assigned Agreements pursuant to the terms of the Sale Agreement reached between the Debtors and the Stalking Horse Purchaser or the Successful Bidder, as the case may be, shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court for the District of Delaware, shall set forth the name of the objecting party, the nature and amount of any claims or interests held or asserted against the Debtors' estate or properties, the basis for the objection and the specific grounds therefore, and shall be filed with the Bankruptcy Court by **4:00 p.m. (Prevailing Eastern Time) on** [_____ ___], **2013**, and be served upon: (i) co-counsel to the Debtors, Troutman Sanders LLP, Bank of America Plaza, 600 Peachtree Street, Suite 5200, Atlanta, Georgia 30308 (Attn: Jeffrey W. Kelley, Esq.) and Richards, Layton & Finger, P.A., One Rodney Square, 920 N. King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq. and Christopher M. Samis, Esq.); (ii) Rothschild Inc., 1251 Ave of the Americas, 51st Fl, New

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York, New York 10020 (Attn: Stephen Antinelli); (iii) the U.S. Trustee, 844 King Street, Suite 2207, Wilmington, Delaware, 19801 (Attn: David L. Buchbinder, Esq.); (iv) co-counsel to the Committee, Sidley Austin LLP, 787 Seventh Avenue, New York, New York 10019 (Attn: Michael G. Burke, Esq.) and Sullivan Hazeltine Allinson LLC, 901 North Market Street, Suite 1300, Wilmington, Delaware 19801 (Attn: William D. Sullivan, Esq.); and (v) co-counsel to the Stalking Horse Purchaser, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, NY 10022 (Attn: Adam Harris, Esq. and David M. Hillman, Esq.) and Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, DE 19899 (Attn: Adam Landis, Esq.).

Dated: _____, 2013
Wilmington, Delaware

_____

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Counsel for Debtors

TAB F

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This is Exhibit "F" referred to in the Affidavit of Ava Kim, sworn May 28, 2013

Commissioner for Taking Affidavits (or as may be)

TANYA ROCCA

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	**Chapter 11**
ALLIED SYSTEMS HOLDINGS, INC., *et al.*[1],	**Case No. 12-11574 (CSS)**
	(Jointly Administered)
Debtors.	**Re: Docket No. ____**

NOTICE OF DEBTORS' INTENT TO ASSUME AND ASSIGN CERTAIN LEASES AND EXECUTORY CONTRACTS AND FIXING OF CURE AMOUNTS

PLEASE TAKE NOTICE that on May 17, 2013, the above-captioned debtors and debtors-in-possession (collectively, the "**Debtors**") filed a motion seeking approval of, among other things, (a) bid procedures (the "**Bid Procedures**") in connection with the sale of substantially all of the Debtors' assets (the "**Purchased Assets**"), (b) procedures to determine cure amounts and deadlines for objections to certain contracts and leases to be assumed and assigned by the Debtors, and (c) related relief (the "**Motion**") with the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**"). By order dated [_____ __], 2013, the Bankruptcy Court approved the Bid Procedures (the "**Bid Procedures Order**"). A copy of the Bid Procedures Order is attached hereto as **Exhibit A**.[2]

PLEASE TAKE FURTHER NOTICE that if the Debtors receive more than one Qualified Bid, the Debtors shall conduct an auction (the "**Auction**") to determine the highest and best bid

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[1] The Debtors in these cases, along with the federal tax identification number (or Canadian business number where applicable) for each of the Debtors, are: Allied Systems Holdings, Inc. (58-0360550); Allied Automotive Group, Inc. (58-2201081); Allied Freight Broker LLC (59-2876864); Allied Systems (Canada) Company (90-0169283); Allied Systems, Ltd. (L.P.) (58-1710028); Axis Areta, LLC (45-5215545); Axis Canada Company (87568828); Axis Group, Inc. (58-2204628); Commercial Carriers, Inc. (38-0436930); CT Services, Inc. (38-2918187); Cordin Transport LLC (38-1985795); F.J. Boutell Driveway LLC (38-0365100); GACS Incorporated (58-1944786); Logistic Systems, LLC (45-4241751); Logistic Technology, LLC (45-4242057); QAT, Inc. (59-2876863); RMX LLC (31-0961359); Transport Support LLC (38-2349563); and Terminal Services LLC (91-0847582). The location of the Debtors' corporate headquarters and the Debtors' address for service of process is 2302 Parklake Drive, Bldg. 15, Ste. 600, Atlanta, Georgia 30345.

[2] Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Bid Procedures Order.

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with respect to the Purchased Assets. The Auction shall commence at [____] **a.m. (Prevailing Eastern Time) on [_____ __], 2013, at [_____].**

PLEASE TAKE FURTHER NOTICE that if you wish to be notified of the identity of any Qualified Bidder or Successful Bidder (as defined in the Bid Procedures) after such parties are identified in accordance with the Bid Procedures, you must fax a written request for such notification to [_____]. Such request must specify how the information is to be transmitted to you. Notice will be provided as soon as practicable, but no later than 9:00 a.m. (Prevailing Eastern Time) on the day of the Sale Hearing (defined below).

PLEASE TAKE FURTHER NOTICE that at a hearing on **[_____ __], 2013, at [__]:[__ _].m. (Prevailing Eastern Time)** or such other time as the Bankruptcy Court shall determine (the "**Sale Hearing**"), the Debtors intend to seek approval of the sale of the Purchased Assets free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon to the maximum extent permitted by Section 363 of the Bankruptcy Code (the "**Sale**") to an acquisition entity (or its assignee or designee as contemplated by the Sale Agreement) (the "**Stalking Horse Purchaser**") formed by Black Diamond Commercial Finance, L.L.C. and Spectrum Commercial Finance LLC, in their capacities as "Co-Administrative Agents" under the First Lien Credit Agreement, pursuant to the terms of an asset purchase agreement with the Stalking Horse Purchaser or to such other party as is determined pursuant to the Bid Procedures to have submitted the highest and best bid for the Purchased Assets (the "**Successful Bidder**").

PLEASE TAKE FURTHER NOTICE that, pursuant to the Cure Procedures, at the Sale Hearing, the Debtors intend to seek approval to assume and assign certain unexpired leases and executory contracts (collectively, the "**Assumed and Assigned Agreements**") to the Stalking

Horse Purchaser or the Successful Bidder, as applicable, pursuant to Section 365 of the Bankruptcy Code. You have been identified as a party to an Assumed and Assigned Agreement that the Debtors may seek to assume and assign. The Assumed and Assigned Agreement with respect to which you have been identified as a non-Debtor party is set forth on **Exhibit B** attached hereto. The Stalking Horse Purchaser or the Successful Bidder, as applicable, shall have until the Closing to remove any executory contract or unexpired lease listed on **Exhibit B** by notifying the Debtors in writing of its intent to not take assignment thereof.

PLEASE TAKE FURTHER NOTICE that the Debtors believe that any and all defaults (other than the filing of these Chapter 11 Cases), actual pecuniary losses, and any amounts due under the Assumed and Assigned Agreement can be cured and satisfied in full by the payment of the cure amount, also set forth on **Exhibit B** attached hereto (the "**Cure Amount**").

PLEASE TAKE FURTHER NOTICE that any party objecting to (a) any Cure Amount and/or (b) the proposed assumption and assignment of any Assumed and Assigned Agreement in connection with the Sale must file with the Bankruptcy Court and serve an objection (a "**Contract Objection**"), in writing, setting forth with specificity any and all obligations that the objecting party asserts must be cured or satisfied in respect to the Assumed and Assigned Agreement, and/or any and all objections to the potential assumption and assignment of such agreement, together with all documentation supporting such cure claim or objection, upon: (i) co-counsel to the Debtors, Troutman Sanders LLP, Bank of America Plaza, 600 Peachtree Street, Suite 5200, Atlanta, Georgia 30308 (Attn: Jeffrey W. Kelley, Esq.) and Richards, Layton & Finger, P.A., One Rodney Square, 920 N. King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq. and Christopher M. Samis, Esq.); (ii) Rothschild Inc., 1251 Ave of the Americas, 51st Fl, New York, New York 10020 (Attn: Stephen Antinelli); (iii) the U.S. Trustee,

844 King Street, Suite 2207, Wilmington, Delaware, 19801 (Attn: David L. Buchbinder, Esq.); (iv) co-counsel to the Committee, Sidley Austin LLP, 787 Seventh Avenue, New York, New York 10019 (Attn: Michael G. Burke, Esq.) and Sullivan Hazeltine Allinson LLC, 901 North Market Street, Suite 1300, Wilmington, Delaware 19801 (Attn: William D. Sullivan, Esq.); and (v) co-counsel to the Stalking Horse Purchaser, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, NY 10022 (Attn: Adam Harris, Esq.) and Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, DE 19899 (Attn: Adam Landis, Esq.), **so as to be received no later than 4:00 p.m. (Prevailing Eastern Time) on [_____ __], 2013**. Unless the Contract Objection is timely filed and served, the assumption, sale, and assignment of the applicable Assumed and Assigned Agreement will proceed without further notice.

PLEASE TAKE FURTHER NOTICE that in the event that the Stalking Horse Purchaser is not the Successful Bidder for the Purchased Assets, within [___] business days after the conclusion of the Auction for the Purchased Assets, the Debtors will serve a notice identifying the Successful Bidder to the non-debtor parties to the Assumed and Assigned Agreements that have been identified in the Bid of the Successful Bidder. Any party objecting to the assumption, assignment, and/or transfer of such Assumed and Assigned Agreement **solely** on the issue of whether the Successful Bidder can provide adequate assurance of future performance as required by Section 365 of the Bankruptcy Code (an "**Adequate Assurance Objection**") must file with the Bankruptcy Court and serve such Adequate Assurance Objection, in writing, on the parties identified in the previous paragraph so as to be received **so as to be received no later than 4:00 p.m. (Prevailing Eastern Time) on [_____ __], 2013.** Unless the Adequate Assurance Objection is timely filed and served, the assumption, sale, and assignment of the applicable Assumed and Assigned Agreement will proceed without further notice.

PLEASE TAKE FURTHER NOTICE that if no Cure Amount is due, or if you agree with the Cure Amount listed on **Exhibit B**, and you do not otherwise object to the Debtors' assumption, sale, and assignment of such agreement, no further action needs to be taken on your part.

PLEASE TAKE FURTHER NOTICE that any person or entity receiving this Notice that fails to file an objection on a timely basis (a) shall be forever enjoined and barred from seeking any additional amount on account of the Debtors' cure obligations under Section 365 of the Bankruptcy Code or otherwise from the Debtors, their estates, the Stalking Horse Purchaser, or the Successful Bidder on account of the assumption and assignment of such executory contract or unexpired lease and deemed to have consented to the Cure Amount, and (b) upon approval by the Bankruptcy Court of the assignment to the Stalking Horse Purchaser or the Successful Bidder, as applicable, of the Assumed and Assigned Agreement, shall be deemed to have waived any right to object, consent, condition, or otherwise restrict any such assumption and assignment.

PLEASE TAKE FURTHER NOTICE that a hearing on Contract Objections and Adequate Assurance Objections may be held (a) at the Sale Hearing, or (b) at such other date prior to or after the Sale Hearing as the Bankruptcy Court may designate upon request by the Debtors.

PLEASE TAKE FURTHER NOTICE that the Debtors' decision to assume and assign the Assumed and Assigned Agreements is subject to the Court's approval of and consummation of the Sale. Absent consummation of the Sale, each Assumed and Assigned Agreement shall not be deemed either assumed or assigned and shall in all respects be subject to further administration under the Bankruptcy Code. The designation of any agreement as an Assumed and Assigned Agreement shall not constitute or be deemed to be a determination or admission by the Debtors

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or the Stalking Horse Purchaser or the Successful Bidder, as applicable, that such document is, in fact, an executory contract or unexpired lease within the meaning of the Bankruptcy Code (all rights with respect thereto being expressly reserved).

PLEASE TAKE FURTHER NOTICE that the Debtors reserve the right to remove any Assumed and Assigned Agreement from any proposed asset sale and to withdraw the request to assume and assign any such Assumed and Assigned Agreement.

Dated: _____2013
Wilmington, Delaware

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Exhibit A

Bid Procedures Order

(omitted)

Exhibit B

Assumed and Assigned Agreements

	Contract/Lease	Cure Amount as of the Petition Date	Cure Amounts After the Petition Date
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

Court File No.: 12-CV- 9757-00CL

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ALLIED SYSTEMS HOLDINGS, INC., ALLIED SYSTEMS (CANADA) COMPANY, AXIS CANADA COMPANY AND THOSE OTHER COMPANIES LISTED ON SCHEDULE "A" HERETO

APPLICATION OF ALLIED SYSTEMS HOLDINGS, INC. UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto, Ontario, Canada

AFFIDAVIT OF AVA KIM
(Bid Procedures Motion Recognition)
(Sworn on May 28, 2013)

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TAB 4

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Court File No. 12-CV-9757-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

THE HONOURABLE	)	**●, THE ● DAY**
	)	
JUSTICE MORAWETZ	)	**OF ●, 2013**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. c-36, AS AMENDED

AND IN THE MATTER OF ALLIED SYSTEMS HOLDINGS, INC., ALLIED SYSTEMS (CANADA) COMPANY, AXIS CANADA COMPANY AND THOSE OTHER COMPANIES LISTED ON SCHEDULE "A" HERETO

APPLICATION OF ALLIED SYSTEMS HOLDINGS, INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

BID PROCEDURES RECOGNITION ORDER

THIS MOTION, made by Allied Systems Holdings, Inc. ("**Allied US**") in its capacity as the foreign representative (the "**Foreign Representative**") of Allied US, Allied Systems (Canada) Company, Axis Canada Company and those other companies listed on Appendix "A" hereto (the "**Chapter 11 Debtors**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an Order substantially in the form enclosed at Tab ● of the Motion Record, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the affidavit of ● sworn ●, 2013 (the "**● Affidavit**"), the ● report of Duff & Phelps Canada Restructuring Inc. (the "**Information Officer**") dated ●, 2013 (the "**● Report**"), and on hearing the submissions of counsel for the Foreign Representative, counsel for the Information Officer, counsel for Yucaipa American

Alliance Fund I, L.P.; Yucaipa American Alliance Fund II, L.P.; Yucaipa American Alliance (Parallel) Fund I, L.P.; Yucaipa American Alliance (Parallel) Fund II, L.P., counsel for Black Diamond CLO 2005-1 Ltd., BDCM Opportunity Fund II, LP and Spectrum Investment Partners LP (collectively "**Black Diamond/Spectrum**"), counsel for the Canadian Auto Workers' Union ("**CAW**"), counsel for the Unsecured Creditors' Committee for the Chapter 11 Debtors (the "**UCC**"), and those other parties present, no one else appearing although duly served as appears from the affidavit of service of ● sworn ●, 2013:

SERVICE

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

2. THIS COURT ORDERS that capitalized terms used herein and not other otherwise defined have the meaning given to them in the ● Affidavit.

RECOGNITION OF US BID PROCEDURES ORDER

3. THIS COURT ORDERS that the Bid Procedures Order entered by the United States Bankruptcy Court for the District of Delaware on ●, 2013 in the Foreign Proceeding, *inter alia* (a) approving bid procedures, (b) approving cure procedures, (c) establishing a date and procedures for an auction, (d) approving credit bid and staking horse protections, (e) scheduling sale hearing and related deadlines, (f) approving form and manner of notices, and (g) granting related relief, a copy of which (without attachments other than the Bid Procedures) is attached hereto as Appendix "B" (the "**US Bid Procedures Order**"), is hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to section 49 of the CCAA.

GENERAL

4. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* (Canada), the Chapter 11 Debtors are authorized and permitted to disclose to any Potential Bidder(s) (as defined in the US Bid

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Procedures Order and the Bid Procedures referenced therein) human resources and payroll information in the Chapter 11 Debtors' records pertaining to the Chapter 11 Debtors' past and current employees, solely for purposes of facilitating the Bid Procedures. Any Potential Bidder that receives any such information in connection with the Bid Procedures shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it only for purposes of the Bid Procedures and only in a manner which is in all material respects identical to the use of such information by the Chapter 11 Debtors.

5. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or in any other foreign jurisdiction, to give effect to this Order or to assist the Chapter 11 Debtors, the Foreign Representative, the Information Officer and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Chapter 11 Debtors, the Foreign Representative, and the Information Officer, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Chapter 11 Debtors, the Foreign Representative or the Information Officer and their respective agents in carrying out the terms of this Order.

6. THIS COURT ORDERS that each of the Chapter 11 Debtors, the Foreign Representative and the Information Officer be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

_____

APPENDIX A – CHAPTER 11 DEBTORS

Allied Systems Holdings, Inc.

Allied Automotive Group, Inc.

Allied Freight Broker LLC

Allied Systems (Canada) Company

Allied Systems, Ltd. (L.P.)

Axis Areta, LLC

Axis Canada Company

Axis Group, Inc.

Commercial Carriers, Inc.

CT Services, Inc.

Cordin Transport LLC

F.J. Boutell Driveway LLC

GACS Incorporated

Logistic Systems, LLC

Logistic Technology, LLC

QAT, Inc.

RMX LLC

Transport Support LLC

Terminal Services LLC

APPENDIX B – US BID PROCEDURES ORDER

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED

Court File No: 12-CV-9757-00CL

AND IN THE MATTER OF ALLIED SYSTEMS HOLDINGS, INC., ALLIED SYSTEMS (CANADA) COMPANY, AXIS CANADA COMPANY AND THOSE OTHER COMPANIES LISTED ON SCHEDULE "A" HERETO

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ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto, Ontario, Canada

BID PROCEDURES RECOGNITION ORDER

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Court File No.: 12-CV-9757-00CL

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto, Ontario, Canada

MOTION RECORD
(Bid Procedures Motion Recognition)
(Returnable: June 5, 2013)

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