

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF JBT
TRANSPORT INC., WAYDOM MANAGEMENT INC., MELAIR MANAGEMENT INC.,
HERITAGE TRUCK LINES INC., DRUMBO TRANSPORT LIMITED, HERITAGE
NORTHERN LOGISTICS INC., AND HERITAGE WAREHOUSING & DISTRIBUTION INC.**

(the "Applicants")

**MOTION RECORD OF THE APPLICANTS
(Returnable February 27, 2025)**

February 24, 2025

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TO: SERVICE LIST

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(the "Applicants")

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NORTHERN LOGISTICS INC., AND HERITAGE WAREHOUSING & DISTRIBUTION INC.**

(the "Applicants")

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Court File No. CV-25-00736572-00CL

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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985,
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TAB 1

Court File No. CV-25-00736572-00CL

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TRUCK LINES INC., DRUMBO TRANSPORT LIMITED,
HERITAGE NORTHERN LOGISTICS INC., AND HERITAGE
WAREHOUSING & DISTRIBUTION INC.

Applicants

NOTICE OF MOTION
(Motion returnable February 27, 2025)

The Applicants, JBT Transport Inc., Waydom Management Inc., Melair Management Inc., Heritage Truck Lines Inc., Drumbo Transport Limited, Heritage Northern Logistics Inc., and Heritage Warehousing & Distribution Inc. (collectively, the "**Applicants**") will make a motion before Justice Kimmel of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on **February 27, 2025 at 11:00 am (Eastern Time)**, or as soon after that time as the Motion can be heard, by judicial videoconference at Toronto, Ontario.

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

in writing under subrule 37.12.1 (1) because it is on consent, unopposed or made without notice;

in writing as an opposed motion under subrule 37.12.1 (4);

In person;

By telephone conference;

By video conference.

at the following location:

<https://ca01web.zoom.us/j/64172244590?pwd=OHg5VkFZNIRHb3FPdFcxaVY4dnRRZz09>

Meeting ID: 641 7224 4590

Passcode: 708039

THE MOTION IS FOR:

1. an amended and restated Initial Order (the “**ARIO**”) pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”) substantially in the form appended at Tab 3 of the Applicants’ Motion Record, which amends and restates the Initial Order made by the Court in this proceeding on February 10, 2025 (the “**Initial Order**”) and, among other things:
 - (a) extends the stay of proceedings from February 28, 2025 up to and including May 16, 2025;
 - (b) continues a first-ranking priority charge that secures any Carrier’s right to payment for the supply of services rendered to the Applicants in respect of shipments in connection with which such Carrier was engaged by the Applicants for the carriage of goods on or subsequent to January 24, 2025 (the “**Filing Date**”), which charge is granted on the applicable receivable associated with such shipment received by the Applicants or any of them, from and after the Filing Date, and the charge on the applicable receivable shall be in the amount owing to the respective Carrier (all such charges, collectively the “**Critical Suppliers Charge**”);
 - (c) increases the maximum amount of the “**Administration Charge**” over all of the Applicants’ current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (collectively, the “**Property**”) from \$150,000 to \$250,000;

- (d) authorizes the Applicants to borrow up to a maximum principal amount of \$250,000 under a debtor-in-possession credit facility (the “**DIP Facility**”) from Randy Bowman (in his capacity as lender under the DIP Facility, the “**DIP Lender**”) to finance the Applicants’ working capital requirements and to pay the costs and expenses of this proceeding, as more fully described in the interim financing term sheet dated February 5, 2025 (the “**DIP Term Sheet**”) between the Applicants and the DIP Lender;
- (e) grants a third-ranking charge (the “**DIP Lender’s Charge**”) over all of the Property of the Applicants in the maximum amount of \$250,000 as security for the Applicants’ obligations under the DIP Facility to the DIP Lender;
- (f) continues to authorize the Applicants, with the written approval of the Dodick Landau Inc. in its capacity as monitor (“**Monitor**”), to pay amounts owing to their suppliers for critical goods or services actually supplied to the Applicants prior to the Filing Date if, in the opinion of the Applicants and the Monitor, such payment is necessary to maintain the uninterrupted operations of the business;
- (g) continues to order that all receivables received by the Applicants on or after the Filing Date shall be treated in accordance with the provisions of the *Highway Traffic Act*, RSO 1990, c. H. 8 (the “**HTA**”), including section 190.0.1(3) therein;
- (h) continues to stay all Carriers (as defined in the *HTA*) from contacting customers of the Applicants in respect to the business of the Applicants, including but not limited to, requiring customers to make payments to the Carriers, soliciting business from such customers, from taking any enforcement action with respect to the amounts owed to them or from holding and refusing to deliver the Applicants’ load freight

product on account of any outstanding indebtedness owed by the Applicants to the Carriers prior to the Filing Date;

2. an order substantially in the form appended at Tab 6 of the Applicants' Motion Record (the "**SISP Approval Order**") that, among other things:
 - (a) approves and directs the Applicants and the Monitor to perform a sale and investment solicitation process with respect to the Applicants' Business (as defined below) and/or Property in accordance with the terms set out in the SISP Approval Order (the "**SISP**"); approves the sale and investment solicitation process attached as Schedule "A" to the SISP Approval Order (the "**SISP**");
 - (b) authorizes and directs the Monitor and the Applicants to take any and all actions as may be necessary or desirable to implement and carry out the SISP in accordance with its terms and the SISP Approval Order;
 - (c) authorizes and empowers the Applicants to enter into a share subscription agreement (the "**Stalking Horse Agreement**") between the Companies (as defined below) and Randy Bowman, Denis Medeiros, and Kyle Medeiros, in trust for a company to be incorporated (in such capacity, the "**Stalking Horse Bidder**"), and attached as Exhibit "B" to the Affidavit of Denis Medeiros sworn February 24, 2025 (the "**Feb. 24 Medeiros Affidavit**"), solely for the purpose of constituting the "**Stalking Horse Bid**" under the SISP;
 - (d) approves the break fee contained in the Stalking Horse Agreement (the "**Break Fee**") and authorizes and directs the Applicants to pay the Break Fee to the Stalking Horse Bidder if the Stalking Horse Bid is not the Successful Bid (as defined herein) under the SISP; and

- (e) seals the Confidential Exhibit to the Feb. 24 Medeiros Affidavit pending further order of the Court; and
3. such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

4. The Applicants are in the business of end-to-end supply chain services, transportation logistics and warehousing services (the “**Business**”). The Applicants are a family-run Business that have been operating and providing supply chain services across North America since their inception in 2002. The Applicants employ over 100 employees and contract workers.
5. The Applicants also work as a third-party logistics provider to coordinate the transportation of goods from suppliers to purchasers, in exchange for a broker commission.
6. In response to demands made by their principal secured creditor, Toronto-Dominion Bank (“**TD Bank**”), for repayment of the Applicants’ approximately \$16.2 million debt, the Applicants each filed a Notice of Intention to Make a Proposal (“**NOI**”) under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, on January 24, 2025.
7. Shortly after receiving notice of the NOIs, several of the Applicants’ Carriers began to pursue self-help remedies, including holding shipments pending pre-payment or payment of arrears, and contacting end customers directly for payment, which caused an operational crisis. As such, the Applicants sought to continue the NOI proceedings under the CCAA because of the availability of a Critical Suppliers Charge under section 11.4, among other relief.
8. On February 10, 2025, the Court granted the Initial Order, which, among other things:

- (a) appointed Dodick Landau Inc. as Monitor;
- (b) provided for a stay of proceedings to and including February 28, 2025;
- (c) granted two super-priority charges, with the following order of priority among them:
 - i. first, an Administration Charge in the maximum amount of \$150,000;
 - ii. second, a Critical Suppliers Charge over all carrier payables; and
- (d) adjourned the balance of the relief sought in the Notice of Application and in an application for appointment of a receiver from The Toronto-Dominion Bank to February 27, 2025 at 11:00am Toronto time in a comeback hearing.

The Applicants' Activities since the Initial Order

9. Since the Initial Order was granted, the Applicants, with the Monitor's assistance, have worked in good faith and with due diligence toward a restructuring plan that will maximize value for the Applicants stakeholders. To date, the Applicants have achieved the following restructuring steps:
- (a) held productive communications with stakeholders, including employees, Carriers and customers;
 - (b) continued to operate the Business in the normal course, with the Monitor's oversight;
 - (c) developed a SISP, with a view to canvassing the market for a transaction;
 - (d) negotiated the Stalking Horse Agreement;

- (e) engaged with TD Bank in an attempt to build consensus on the appropriate path forward;
- (f) wound down the Applicants' operations at one of its warehouses;
- (g) set up the trust accounts for the Critical Suppliers Charge as required by the Initial Order; and
- (h) reported to the Monitor on its financial circumstances in comparison to the cash flow forecast.

Extension of the Stay of Proceedings

10. The Initial Order granted a stay of proceeding to and including February 28, 2025. The Applicants seek an extension of the stay of proceeding up to and including May 16, 2025. This extension is necessary and appropriate to allow the Applicants to conduct the SISF in an orderly manner, to continue implementing operational restructuring steps, and to protect the going concern nature and value of the Business.
11. The Applicants have acted and will continue to act with good faith and with due diligence.
12. The cash flow forecasts filed by the Applicants demonstrate that no creditor will be materially prejudiced by the continuation of the stay of proceedings sought.

DIP Facility and DIP Lender's Charge

13. The Applicants are seeking the Court's approval of an interim DIP Facility and a DIP Lender's Charge in the amount of \$250,000, to be made available during these CCAA proceedings. The proposed DIP Facility corresponds to the Applicants' forecasted interim

financing needs during the extended stay of proceedings in accordance with the cash flow forecast.

14. Access to additional liquidity from the DIP Facility is appropriate and necessary to permit the Applicants to operate their Business in the normal course and to fund the costs of the SISP and this CCAA proceeding, all of which is in the interest of stakeholders. The DIP Facility will enhance the Applicants' prospects of entering a viable compromise or arrangement.
15. The key terms and conditions of the DIP Term Sheet are as follows:
 - (a) the DIP Lender is a director and officer of the Applicants;
 - (b) a maximum loan amount of \$250,000;
 - (c) interest accruing at a rate of 10% per annum; and
 - (d) advances under the DIP Facility are conditional upon Court approval of the DIP Term Sheet and the granting of a super-priority DIP Lender's Charge in favour of the DIP Lender over all of the Property of the Applicants, subject only to the Administration Charge, the Critical Suppliers Charge, and TD Bank's security over the Melair Property.
16. The DIP Lender's Charge will secure all the funds advanced to the Applicants under the DIP Facility. The DIP Lender's Charge will not secure any obligations incurred prior to the CCAA filing.
17. Without the DIP Lender's Charge, the DIP Lender would not provide the DIP Facility under the DIP Term Sheet resulting in the Applicants inability to finance their operations, which would be detrimental to the stakeholders of the Applicants.

18. The terms contained in the DIP Term Sheet are fair and reasonable, and typical compared to other interim facilities approved in Ontario and elsewhere in Canada. They represent the best available interim financing arrangement that could be arranged by the Applicants within the time frame and to meet the Applicants' needs.
19. The cash flow forecasts filed by the Applicants demonstrate that the DIP Facility is necessary to address short-term cash flow needs, which are then going to be regained through continued operation resulting in a superior financial position for the Applicants and their stakeholders.
20. The Monitor supports the Applicants' request for a DIP Facility and corresponding DIP Lender's Charge in the maximum principal amount of \$250,000.

Increased Administration Charge Amount

21. The Applicants seek to increase the Administration Charge from \$150,000 to \$250,000, which increase corresponds to the anticipated fees of the restructuring professionals during the extended stay period, as reflected in the cash flow forecast.
22. The Administration Charge will allow the Applicants to have continuous access to critical accounting and legal advice during the stay period, including to implement the SISF and assist in restructuring initiatives.
23. The Monitor and the DIP Lender support the increased quantum of the Administration Charge, which is fair and reasonable in the circumstances.

Continuation of Critical Suppliers Charge

24. Given the complex and rapidly changing nature of the Applicants' Business, the Applicants continue to require an ongoing Critical Suppliers Charge and related relief set out in the

ARIO to restrain Carriers from taking self-help remedies, including but not limited to, requiring customers to make payments to the Carriers, soliciting business from such customers, from taking any enforcement action with respect to the trust funds or from holding and refusing to deliver the Applicants load freight product on account of any outstanding indebtedness owing by the Applicants to Carriers prior to the NOIs.

25. Since the Initial Order, the Applicants and the Monitor have set aside the trust funds and ensured that Carriers are paid in a timely manner, in accordance with section 191.0.1(3) of the *HTA*. The Applicants will continue to do so if the ARIO is granted.
26. Upon notice of the Initial Order and the stay imposed upon Carriers, many Carriers complied with its provisions and ceased holding shipments and demanding payment in advance or for arrears, including demands made of customers directly. However, there are still some Carriers that are acting in a hostile manner towards the Applicants including holding loads and going directly to the Applicants' customers. The Applicants require this relief to continue so that their operations are not halted or further impacted.
27. The Critical Suppliers Charge would rank in priority to the Administration Charge and the DIP Lender's Charge.
28. The Monitor is supportive of the requested relief with respect to the Carriers, including the Critical Suppliers Charge.

Approval of the SISP

29. The Applicants also seek the SISP Approval Order, which approves the SISP.
30. To complement the Applicants' ongoing operational restructuring efforts, the Applicants have determined that it is critical that they conduct a sale and investment solicitation

process. Accordingly, the Applicants, with the assistance of their advisors, and in consultation with the Monitor, the Stalking Horse Bidder, and the proposed DIP Lender, have developed the SISP.

31. The SISP was developed taking into account the Applicants' financial circumstances and the amount of financing available under the DIP Term Sheet.
32. The SISP is intended to widely expose the Applicants' Business to the market and provide a structured and orderly process for interested parties to perform due diligence and submit offers for a broad range of potential transactions (including sale, refinancing, recapitalization, and liquidation).
33. The terms of the SISP are summarized in the Feb. 24 Medeiros Affidavit and are usual, fair, reasonable, and commercially efficacious.
34. The SISP involves a stalking horse bid in the form of the Stalking Horse Agreement with the Stalking Horse Bidder. The Stalking Horse Bid sets the "floor" price in any sale of the Business and provides an objective indication to the market and to stakeholders that continuation of the Applicants' business as a going concern is intended.
35. The SISP contemplates a one-phase bidding process that will be managed by the Monitor. The key milestones in the SISP are as follows:
 - (a) March 12, 2025: the Monitor will publish notice of the SISP and circulate the teaser and non-disclosure agreement to a list of interested parties;
 - (b) April 18, 2025: the "**Bid Deadline**" by which a bidder must submit a binding and formal offer (the "**Binding Offer**") to the Monitor in accordance with the terms of the SISP;

- (c) April 25, 2025: the Applicants will select the highest or otherwise best bid (the “**Successful Bid**”), including conducting an auction (the “**Auction**”), if necessary;
 - (d) May 9, 2025: the Applicants will bring a motion to the Court for approval of the Successful Bid before this date; and
 - (e) May 16, 2025: the “**Outside Date**” by which to close the transaction contemplated in the Successful Bid.
36. These milestone dates balance the Applicants’ need for sufficient time to market their Business, and the limitations of the Applicants’ financial position, and the need for a process that does not destabilize the Business. The SISP provides that the Monitor, in consultation with the Applicants, may extend the above deadlines by up to two weeks without Court approval.
37. If the Monitor receives Binding Offers other than the Stalking Horse Agreement on the Bid Deadline, the Monitor, in consultation with the Applicants, will direct the bidders that submitted a Binding Offer to participate in an Auction. The Auction will be conducted and administered by the Monitor in accordance with the procedures to be determined by the Monitor.
38. The highest bid at the Auction will be deemed the Successful Bid. After the selection of a Successful Bid, the SISP contemplates:
- (a) **granting of an Approval Order:** on the earliest possible date after the selection of the Successful Bid and in any event by May 9, 2025, the Applicants shall apply to the Court for one or more orders approving such Successful Bid, vesting title to the purchased assets in the name of the successful bidder, and/or vesting

unwanted liabilities out of one or more of the Applicants (the “**Approval Order**”);
and

(b) **closing of the transaction by the Outside Date**: the parties will close the transaction contemplated in the Successful Bid by the Outside Date, being May 16, 2025.

39. The Applicants are of the view that a Court-supervised SISP under the CCAA will be the most cost-efficient and effective means of maximizing creditor recovery.
40. The SISP satisfies the criteria in CCAA, s 36, which the Court considers in determining whether to approve a sale outside of the ordinary course of business.
41. The Monitor has advised it is supportive of the SISP.

The Stalking Horse Agreement

42. The Applicants are seeking approval of the Stalking Horse Agreement, which will stimulate market interest by setting a “floor” price that bidders in the SISP must bid against. For clarity, the Applicants do not seek the Court’s approval of the transaction contemplated in the Stalking Horse Agreement at this time. A separate motion will be brought upon conclusion of the SISP for an approval and vesting order with respect to the Successful Bid.
43. The Stalking Horse Agreement provides stability to the Business as it signals to the Applicants’ customers, employees and other stakeholders that the Business will continue as a going concern after these CCAA proceedings.
44. The Stalking Horse Bidder is three members of management of the Applicants, Randy Bowman, Denis Medeiros, and Kyle Medeiros, in trust for a company to be incorporated.

45. The Stalking Horse Agreement is structured as a purchase of the shares of the JBT Transport Inc., Heritage Truck Lines Inc., Heritage Warehousing & Distribution Inc., Melair Management Inc., Waydom Management Inc., and Drumbo Transport Limited (collectively, the “**Companies**”) that will be effected through a “reverse vesting” transaction.
46. The Purchaser has paid a deposit in the principal amount of \$250,000 representing the principal amount advanced by the DIP Lender to the Applicants pursuant to and in accordance with the DIP Term Sheet and shall constitute payment of a deposit in the amount of 5% of the cash portion of the purchase price.
47. The purchase price under the Stalking Horse Agreement is made up of the following components which equal the approximate amount of \$13,316,523.76:
 - (a) payment in cash of \$4,917,497.04, comprised of:
 - (i). an amount equal to \$2,969,500 for the equipment;
 - (ii). an amount equal to \$30,000 for the inventory,
 - (iii). an amount equal to \$439,500 for other assets,
 - (iv). an amount equal to 43% of the accounts receivables;
 - (v). an amount equal to the cure costs, and
 - (vi). an amount equal to the Priority Payment Amount, and Administrative Expense Amount (both as defined in the Stalking Horse Agreement);
 - (b) the outstanding obligations payable by the Applicants as of the Closing Date pursuant the DIP Term Sheet including the principal amount of such claims and interest accrued as of the Closing Date, plus all accrued and unpaid interest thereon through to and including the Closing Date, plus any unpaid fees and expenses associated therewith; and

- (c) the assumption of the Retained Liabilities (as defined in the Stalking Horse Agreement).
48. The Stalking Horse Agreement also entitles the Stalking Horse Bidder, in the circumstances where the Stalking Horse Agreement is not selected as the Successful Bid under the SISP, to a Break Fee equal to \$65,000, which is approximately 1.35% of the cash portion of the purchase price. If the Stalking Horse Agreement is chosen as the Successful Bid, then no Break Fee will be paid to the Stalking Horse Bidder.
49. The parties negotiated the quantum of the Break Fee with the Monitor's assistance. The quantum of the Break Fee is reasonable given that the Stalking Horse Agreement was the product of good faith negotiations amongst the parties, and it is on the low end of break fees that have been accepted by the Court in similar circumstances.
50. Closing of the transaction contemplated by the Stalking Horse Agreement is subject to conditions that are customary for a transaction of this nature. The Stalking Horse Agreement is both fair and reasonable in the circumstances.
51. The Monitor supports the approval of the Stalking Horse Agreement for the purpose of constituting the Stalking Horse Bid under the SISP.

Sealing of Confidential Exhibit

52. The Applicants seek to seal Confidential Exhibit "1" to the Feb. 24 Medeiros Affidavit, which is a confidential analysis of the value of the Stalking Horse Agreement compared to liquidation value of the Applicants. It provides no benefit to publicly disclose the confidential information. In contrast, it would be prejudicial to the Applicants in the analysis was disclosed because it contains commercially sensitive information that, if made public,

would negatively affect the Applicants ability to maximize value and maintain integrity of the SISP.

53. The sealing order is the only available measure to prevent the risk associated with the disclosure of the information in the Confidential Exhibit.

Other Grounds

54. The provisions of the CCAA including sections 11 and 36.
55. The inherent and equitable jurisdiction of this Honourable Court.
56. The *Rules of Civil Procedure*, RRO 1990, Reg 194, as amended, including without limitation Rules 1.04, 2.01, 2.03, 3.02, 37, and 39.
57. Section 137(2) of the *Courts of Justice Act*, RSO 1990, c. C.43, as amended.
58. Such further and other grounds as counsel may advise and this Honorable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

59. the Affidavit of Denis Medeiros sworn February 6, 2025 and the Exhibits thereto;
60. the Reply Affidavit of Denis Medeiros sworn February 8, 2025 and the Exhibits thereto;
61. the Affidavit of Dennis Medeiros sworn February 24, 2025 and the Exhibits thereto;
62. the Pre-Filing Report of the Monitor;
63. the First Report of the Monitor; and

64. such further and other materials as counsel may advise and this Honorable Court may permit.

February 24, 2025

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TO: THE SERVICE LIST

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
RSC 1985, c C-36, AS AMENDED AND
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF JBT TRANSPORT INC. ET AL.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

NOTICE OF MOTION
(Returnable February 27, 2025)

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TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF JBT
TRANSPORT INC., WAYDOM MANAGEMENT INC., MELAIR MANAGEMENT INC.,
HERITAGE TRUCK LINES INC., DRUMBO TRANSPORT LIMITED, HERITAGE
NORTHERN LOGISTICS INC., AND HERITAGE WAREHOUSING & DISTRIBUTION INC.**

**AFFIDAVIT OF DENIS MEDEIROS
(Sworn February 24, 2025)**

I, **DENIS MEDEIROS**, of the City of Cambridge, in the Province of Ontario, **MAKE OATH
AND SAY:**

1. I am the President of JBT Transport Inc., Waydom Management Inc., Melair Management Inc., Heritage Truck Lines Inc., Drumbo Transport Limited, Heritage Northern Logistics Inc., and Heritage Warehousing & Distribution Inc. (the "**Applicants**"), which are the applicant companies in this proceeding. I have been in this role since the inception of the Applicants in 2002. As such, I have personal knowledge of the matters set out below unless otherwise stated to be based on information and belief. Where I have relied on information from others, I state the source of such information and verily believe it to be true.

I. BACKGROUND AND ORDERS SOUGHT

2. The background of this matter is discussed in my Affidavit sworn February 6, 2025 (the "**Initial Affidavit**") and my Reply Affidavit sworn February 8, 2025 (the "**Reply Affidavit**"). This affidavit is further to both of those affidavits.

3. On February 10, 2025, this Court granted the Applicants an Initial Order (“**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, RSC 1985, c. C-36 (the “**CCAA**”). Dodick Landau Inc. was appointed as monitor under the CCAA proceeding (in such capacity, the “**Monitor**”). The Initial Order is attached hereto as **Exhibit “A”**.

4. The Applicants now seek two orders:

(a) an Amended and Restated Initial Order (“**ARIO**”), substantially in the form of order included at Tab 3 of the Applicants’ Motion Record which, among other things:

(i) abridges the notice periods and validates service of the application record;

(ii) extends the stay of proceedings in respect of the Applicants up to and including May 16, 2025;

(iii) authorizes the Applicants to borrow up to a maximum principal amount of \$250,000 under a debtor-in-possession credit facility (the “**DIP Facility**”) from Randy Bowman (in his capacity as lender under the DIP Facility, the “**DIP Lender**”) to finance the Applicants’ working capital requirements and to pay the costs and expenses of this proceeding, as more fully described in the interim financing term sheet dated February 5, 2025 (the “**DIP Term Sheet**”) between the Applicants and the DIP Lender;

(iv) grants the following charges, which charge shall rank in priority to all other security interests, trusts, liens, charges, and encumbrances in favour of any person with the following order of priority:

1. a first-ranking priority charge that secures any Carrier’s (as defined below) right to payment for the supply of services rendered to the

Applicants for shipments where such Carrier was engaged by the Applicants for the carriage of goods on or subsequent to January 24, 2025 (the “**Filing Date**”), which charge is granted on the applicable receivable associated with such shipment, once received by the Applicants or any of them, from and after the Filing Date, and the charge on the applicable receivable shall be in the amount owing to the respective Carrier (all such charges, collectively the “**Critical Suppliers Charge**”);

2. a second-ranking charge (“**Administration Charge**”) over all of the Applicants’ current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (collectively, the “**Property**”), in the increased maximum amount of \$250,000, as security for the payment of the professional fees and disbursements incurred and to be incurred by the Monitor, counsel to the Monitor at Loopstra Nixon LLP, and counsel to the Applicants at Reconstruct LLP, in connection with the CCAA proceeding; and
 3. a third-ranking charge (the “**DIP Lender’s Charge**”) over all of the Property of the Applicants, with the exception of one piece of real property as described below, in the maximum amount of \$250,000 as security for the Applicants’ obligations under the DIP Facility to the DIP Lender;
- (v) authorizes the Applicants, with the Monitor’s written approval, to pay amounts owing to their suppliers for critical goods or services actually supplied to the Applicants before the Filing Date if, in the opinion of the Applicants and the Monitor, such payment is necessary to maintain the

- uninterrupted operations of the business;
- (vi) orders that all receivables received by the Applicants on or after the Filing Date shall be treated in accordance with the provisions of the *Highway Traffic Act*, RSO 1990, c. H. 8 (the "**HTA**"), including section 190.0.1(3) therein; and
 - (vii) stays all Carriers (as defined in the *HTA*) from contacting customers of the Applicants in respect to the business of the Applicants, including but not limited to, requiring customers to make payments to the Carriers, soliciting business from such customers, from taking any enforcement action with respect to the Carrier Trust Funds (as defined below) or from holding and refusing to deliver the Applicants' load freight product on account of any outstanding indebtedness owed by the Applicants to the Carriers prior to the Filing Date;
- (b) an order (the "**SISP Approval Order**") substantially in the form of order included at Tab 6 of the Applicants' Motion Record that, among other things:
- (i) approves the sale and investment solicitation process attached as Schedule "A" to the SISP Approval Order (the "**SISP**");
 - (ii) authorizes and directs the Monitor and the Applicants to take any and all actions as may be necessary or desirable to implement and carry out the SISP in accordance with its terms and the SISP Approval Order;
 - (iii) authorizes and empowers the Applicants to enter into a share subscription agreement (the "**Stalking Horse Agreement**") between JBT Transport Inc., Heritage Truck Lines Inc., Heritage Warehousing & Distribution Inc., Melair Management Inc., Waydom Management Inc.,

and Drumbo Transport Limited, as sellers, and Randy Bowman, Denis Medeiros, and Kyle Medeiros, in trust for a company to be incorporated (in such capacity, the “**Stalking Horse Bidder**”), solely for the purpose of constituting the “**Stalking Horse Bid**” under the SISP;

- (iv) approves the break fee contained in the Stalking Horse Agreement (the “**Break Fee**”) and authorizes and directs the Applicants to pay the Break Fee to the Stalking Horse Bidder if the Stalking Horse Bid is not the Successful Bid (as defined herein) under the SISP; and
- (v) seals the Confidential Exhibit to this affidavit pending further Order of the Court.

II. **ACTIVITIES SINCE THE INITIAL ORDER**

5. Since the Court granted the Initial Order, the Applicants have worked with due diligence and good faith to advance their operational and financial restructuring. In particular, the Applicants have:

- (a) pared back their operational costs by, among other things, winding down operations at the Applicants’ former warehouse located at 325 Stirling Avenue South, Kitchener, Ontario;
- (b) engaged in extensive discussions with the Toronto Dominion Bank (“**TD Bank**”), which is the Applicants’ senior secured creditor;
- (c) spent significant time and resources addressing the issues with Carriers;
- (d) opened a segregated trust account to hold the Carrier Trust Funds (as defined below) per the Initial Order;
- (e) calculated the funds to be transferred to the new trust account, which took

significant time given that it was a labour-intensive process involving numerous receivables. The Applicants transferred the funds to the trust account in accordance with those calculations;

- (f) developed the SISP with the assistance of counsel and of the Monitor;
- (g) negotiated the Stalking Horse Agreement in consultation with the Monitor;
- (h) prepared an updated cash flow forecast statement for the period ending the week of May 31, 2025, which I understand will be attached to the report of the Monitor;
- (i) continued to operate the business in the normal course;
- (j) reported to the Monitor on their operations in comparison to the Cash Flow Forecast; and
- (k) engaged in discussions with stakeholders, including employees and customers.

6. Below are further details regarding the Applicants' efforts on: (a) discussions with TD Bank; (b) the maintenance of relationships with Carriers; (c) the development of the SISP; and (d) the Stalking Horse Agreement negotiations.

A. Discussions with TD Bank

7. Following the Initial Order, I am advised by Caitlin Fell that the Applicants' counsel engaged in extensive discussions with TD Bank's counsel with a view to building consensus on the path forward in this CCAA proceeding.

8. Without breaching the settlement privilege of these discussions, I can advise that, to facilitate these discussions, the Applicants, among other things, (a) agreed to continue to subordinate the DIP Lender's Charge on the Melair Property; (b) facilitated TD Bank's information requests; (c) developed the SISP and the Stalking Horse Agreement on an expedited basis; (d) shared their analysis of the economic benefits of the Stalking Horse Agreement compared to a

liquidation on February 18, 2025, which analysis is discussed further in paragraph 54 below; and (e) shared the draft SISP with TD Bank on the morning of February 23, 2025.

9. Despite the Applicants' diligent and good faith efforts, the Applicants and TD Bank were unable to reach consensus. Accordingly, the Applicants are seeking the relief on this application over any opposition by TD Bank. The Applicants understand that TD Bank continues to seek the appointment of a receiver.

10. The appointment of a receiver, who will not continue operating the business as a going concern, even if temporarily, would in my view have a devastating impact on the value of the business and the Applicants' decades of goodwill and relationships. Even a temporary stoppage in operations is likely to drive customers and suppliers elsewhere, from which it would be difficult, if not impossible, for the Applicants to recover. This would be detrimental to the Applicants and to their numerous stakeholders including their 125 suppliers, 187 customers, and over 100 employees and contractors.

11. In contrast the plan developed by the Applicants, in cooperation with their financial advisor, Grant Thornton Ltd., as well as our counsel, Reconstruct LLP, and the Monitor, will not only continue the business as a going concern, but also maximize value for creditors through conducting a SISP with a supporting Stalking Horse Agreement.

12. I am unaware of what steps TD Bank or its proposed receiver, BDO Canada, have taken since February 10, 2025. I am aware of no interactions between BDO Canada and the Applicants or the Monitor. I am only aware of the following limited circumstances where TD Bank has requested information since the Initial Order:

- (a) I understand from the Monitor that the only information request it received from TD Bank was on February 12, 2025, which request was for an excel copy of the original cash flow forecast;

- (b) On February 12, 2025, the Applicants received a request from TD Bank with respect to several transactions processed by TD Bank since the Filing Date. I am not sure how this information would assist TD Bank advance a restructuring plan; and
- (c) TD Bank requested an analysis of its recovery under the Stalking Horse Agreement, which analysis was provided to TD Bank on February 19, 2025.

13. As of the date of this affidavit, the Applicants have still not seen any proposed plan for the business if a receiver were to be appointed. It is still unclear whether and how the receiver would continue operating the business in the normal course, or if it would opt to shutter what I believe is a profitable business to the detriment of the majority of its stakeholders.

14. If TD Bank's receiver is intending to continue to operate the business, I believe the receiver will face significant difficulties in doing so. The Applicants operate a specialized business that relies heavily on their customer and supplier relationships, which has taken over 20 years to develop. The Applicants also hold critical permits, licenses, and certifications that cannot be transferred easily, if at all, to the receiver. If a receiver is appointed, I am not sure whether, or how, the receiver would be able to continue to operate the business without using substantially all of the existing employees and contractors of the Applicants. I am advised by Ms. Fell that a receiver normally terminates and then engages employees as consultants, and if so, I am not certain whether all, or even many, of those employees would choose to continue to work under those circumstances even if the receiver wished to do so.

15. I understand from Ms. Fell that on February 21, 2025, TD Bank's counsel advised Ms. Fell that there were two debits that went through TD Bank's line of credit ("**LOC**") overnight. The debits were in the cumulative amount of \$3,966.40. TD Bank's counsel advised that TD Bank returned these payments. Therefore, I am not aware of any prejudice that TD Bank suffered from these

payments.

16. I understand from Ms. Fell that in response to the email from TD Bank's counsel, she immediately responded and asked why the LOC had not been frozen by TD Bank. As of the time of signing this affidavit, I or Ms. Fell are unaware of any response to Ms. Fell's email.

B. Addressing the Concerns of and with Carriers

17. Since the Initial Order was granted, the Applicants have set up a trust account to segregate the funds that are subject to the Critical Suppliers Charge (the "**Carrier Trust Funds**"). As of the date of this affidavit, there is approximately \$617,000 in Carrier Trust Funds. The Applicants have worked cooperatively with the Monitor to administer and monitor the Carrier Trust Funds.

18. As detailed in the Initial Affidavit, before receiving the Initial Order, the Applicants experienced significant difficulties with getting Carriers to provide uninterrupted services. In particular, the Applicants faced numerous instances where Carriers (1) held and refused to release loads pending payment of pre-filing amounts that the Applicants were stayed from paying, (2) went directly to customers to cut out the Applicants' role as broker and corresponding commission, and (3) held and refused to deliver loads while demanding direct payment from customers, rather than through the Applicants.

19. I believe that these issues were compounded by TD Bank serving its receivership materials on all the Carriers, rather than only the relevant service list for TD Bank's receivership motion.

20. The Applicants have expended significant time and resources addressing the ongoing issues with the Carriers. As a result of these issues, the Applicants have had to significantly decrease the number of Carriers that it uses from 470 to approximately 110.

21. With the benefit of the relief granted in the Initial Order, the Applicants have begun to

resolve the challenges they experienced with these Carriers. Upon notice of the Initial Order and the stay imposed upon Carriers, many Carriers complied with the Initial Order's provisions and ceased holding shipments and demanding payment in advance or of arrears.

22. However, there are still some Carriers that are acting in a hostile manner towards the Applicants, including by holding loads captive and going directly to the Applicants' customers. These hostile Carriers have ignored several letters from the Applicant's legal counsel that explain the terms and implications of the Initial Order.

23. Given the ongoing issues with Carriers, as well as the benefits that the Initial Order has provided to date, the Applicants believe that it is critical to the operations of the business to continue the Critical Suppliers Charge and ancillary relief to prevent Carriers from using enforcement remedies and/or appropriating the Applicants' business.

24. I understand that the Carriers were served with the initial Application Record on February 6, 2025 and the Initial Order and Endorsement of Justice Kimmel on February 11, 2025. I also understand that this affidavit will be served on the Carriers.

25. As of the date of swearing this affidavit, the Applicants are unaware of any opposition from Carriers to the Critical Suppliers Charge and ancillary relief.

C. The SISP

26. As discussed in the Initial Affidavit, the primary objective of this CCAA proceeding is to find a long-term solution to the Applicants' liquidity issues.

27. To meet this objective and to complement the Applicants' ongoing operational restructuring efforts, the Applicants determined that they must conduct a sale and investment solicitation process. Accordingly, the Applicants developed the SISP, in consultation with the Monitor and the DIP Lender.

28. Although the Applicants have previously attempted to sell their real estate on a piecemeal basis, there has never been a robust sale process run for the sale of the business as a going concern. I believe a comprehensive SISP is the best available option to maximize value for the Applicants' stakeholders. Specifically, the SISP is intended to widely expose the Applicants' business and property to the market. It will provide a structured and orderly process for interested parties to perform due diligence and submit offers for a broad range of potential transactions (including a sale, recapitalization, or liquidation). The Applicants will continue to operate in the normal course during the SISP in order to preserve and maximize going concern value of the business.

29. The SISP involves the Applicants entering into a stalking horse agreement to set the "floor" price in any sale of the business. Accordingly, the Applicants have negotiated the Stalking Horse Agreement with the Stalking Horse Bidder. The Stalking Horse Bidder is three members of management of the Applicants. A copy of the Stalking Horse Agreement is attached as **Exhibit "B"**.

30. Given the Stalking Horse Bidder is a related party, the SISP has been designed to be administered by the Monitor in order to maintain the integrity of the sale process.

31. I understand that the Monitor supports the approval of the SISP because the SISP is fair and reasonable in the circumstances.

32. The SISP and Stalking Horse Agreement mitigate the risk of employee resignations and of Carriers and customers cancelling business with the Applicants as a result of uncertainty around the CCAA proceeding's outcome. They also increase the likelihood that the Applicants' business will be able to emerge from the CCAA proceeding as a going concern and preserve important value sources like employees, goodwill, and customer relationships.

i. Overview of the SISP

33. The SISP contemplates a one-phase sale process that will be administered by the Monitor over approximately 45 days. The SISP is designed to culminate in the closing of a transaction by no later than May 16, 2025.

34. The SISP contemplates the following key milestones and deadlines:

<u>Milestone</u>	<u>Deadline</u>
Commencement of marketing and solicitation of interest (the " Commencement Date ")	As soon as reasonably practicable but no later than March 12, 2025
Deadline to submit a Binding Offer (the " Bid Deadline ")	5:00 p.m. (Eastern Time) on April 18, 2025
Selection of Successful Bid(s)	April 25, 2025
Motion for Court Approval of Successful Bid(s)	As soon as reasonably practicable following the selection of the Successful Bid, but by no later than May 9, 2025
Closing of Successful Bid(s)	No later than May 16, 2025 (" Outside Date ")

35. I believe, and am advised by Ms. Fell and the Monitor, that the above milestones provide sufficient time for the Applicants to broadly canvass the market for a value-maximizing transaction. In particular, the above timeline appropriately balances the Applicants' need for sufficient time to comprehensively market their business with the limitations of the Applicants' financial position and the need for a process that does not destabilize the business.

36. The SISP provides that the Monitor may extend the above deadlines, in consultation with the Applicants, by up to two weeks without Court approval. I believe that the ability to extend deadlines provides the Monitor with the necessary flexibility to maximize the success of the SISP.

37. Each of the key milestones of the SISP are described in greater detail below.

ii. Solicitation of Interest and Notice of the SISP

38. The SISP prescribes that the Monitor, in consultation with the Applicants, shall take the following steps to commence the SISP before the Commencement Date of March 12, 2025:

- a. prepare a list of known potential bidders;
- b. publish a notice of the SISP on the Monitor's website and in any publications as may be considered appropriate by the Monitor;
- c. prepare both a process summary (the "**Teaser Letter**") describing the SISP, a confidential information memorandum ("**CIM**"), and a form of non-disclosure agreement ("**NDA**"); and
- d. prepare and maintain a virtual data room ("**VDR**") containing due diligence information and documentation in relation to the Applicants including a copy of the Stalking Horse Agreement.

39. As soon as reasonably practicable following the granting of the SISP Approval Order, the Monitor will send the Teaser Letter and NDA to each known potential bidder and to any other party who requests a copy.

iii. Due Diligence and Binding Offers

40. In order to participate in the SISP, an interested party must deliver an executed NDA to the Monitor, and if requested by the Monitor, evidence of its financial wherewithal to consummate a transaction on a timely basis. Thereafter, the Monitor will grant the interested party access to the VDR to perform its due diligence.

41. Any interested party that wishes to submit an unconditional binding offer ("**Binding Offer**") with respect to the Applicants' business must do so by the Bid Deadline, being April 18, 2025. A bidder that submits a Binding Offer will be considered a "**Binding Bidder**".

42. An offer will only be considered to be a Binding Offer where it complies with certain criteria identified in the SISP including, among other things:

- (a) if the bid is structured as a “reverse vesting transaction”, it includes a duly authorized and executed binding transaction agreement, including all exhibits and schedules contemplated thereby, together with a blackline against the Stalking Horse Agreement (which shall be posted in Word format in the VDR), describing the terms and conditions of the proposed transaction, including any liabilities and obligations proposed to be assumed, the purchase price, the structure and financing of the proposed transaction, and any regulatory or other third-party approvals required;
- (b) if the bid is structured in a form other than a “reverse vesting transaction”, it includes a duly authorized and executed, definitive transaction agreement, containing the detailed terms and conditions of the proposed transaction, including the Business or the assets proposed to be acquired, the obligations and liabilities to be assumed/excluded, the detailed structure of the transaction, the final purchase price or investment amount, and any other key economic terms expressed in Canadian dollars, together with all exhibits and schedules thereto, all applicable ancillary agreements with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such ancillary agreements), and the proposed form of order(s) for the Court to consider in the motion to approve the transaction;
- (c) if the bid is structured as a liquidation offer, it includes a duly authorized and executed definitive liquidation offer/proposal/agreement including identification of the subject assets, the obligations and liabilities to be assumed (if any), the detailed structure of the liquidation, a net minimum guarantee (which shall stand

as the “purchase price” for all purposes hereunder) and any other key economic terms expressed in Canadian dollars, together with all exhibits and schedules thereto, and confirmation of any order(s) required of the Court in connection with the same;

- (d) it contains cash consideration sufficient to pay in full on closing of the transaction:
 - (i) the amount equal to the Cash Consideration and DIP Credit Bid Consideration, each as defined in the Stalking Horse Agreement, plus an incremental overbid amount (in the minimum amount of \$125,000); (ii) an administrative reserve in an amount satisfactory to the Monitor necessary to wind-down the CCAA proceeding; and (iii) a break fee in the amount of \$98,350 as contemplated in the Stalking Horse Agreement;
- (e) it is binding and irrevocable until the earlier of: (i) 30 days after the Bid Deadline and (ii) approval by the Court of the Successful Bid;
- (f) it includes a refundable cash deposit in an amount equal to 10% of the purchase price contemplated by the Bid (the “**Deposit**”);
- (g) it includes written evidence of a firm, irrevocable commitment for financing or other evidence of an ability to consummate the proposed transaction or transactions comprising the Bid, that will allow the Monitor to make a determination as to the bidder’s financial and other capabilities to consummate the proposed transaction;
- (h) is includes acknowledgments and representations of the bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Business and/or assets, the Companies, or otherwise, prior to making its bid; (ii) it has relied solely upon its own independent review, investigation and/or inspection of the Business and/or assets (including, without limitation, any documents in connection

therewith) in making its bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory, or otherwise, regarding the Business and/or assets or the Companies or the completeness of any information provided in connection therewith, except as expressly contemplated in any definitive documentation duly executed by the Successful Bidder and the Companies and approved by the Court;

- (i) it contains specific statements concerning the intended treatment of unsecured creditors, guaranteed obligations, lien claimants, subtrades who have or are continuing to provide goods or services in relation to projects, as well as receivables and liabilities associated with Trade-Mark Industrial Inc., Trade-Crete Ltd. and Comtrade Ltd., including any cost of litigation associated therewith;
- (j) it is not subject to further due diligence or financing; and
- (k) it includes a description of any regulatory or other third-party approvals required to consummate the proposed transaction.

iv. Selection, Approval and Closing of the Successful Bid(s)

43. At the conclusion of the SISP, the Monitor will review and evaluate each offer received in consultation with the Applicants. If no Binding Offer is received (other than the Stalking Horse Agreement), the Monitor will, as soon as reasonably possible, post a notice on its website that the SISP has concluded. In such circumstances, the Applicants will promptly seek a motion before the Court for the Approval Order (as defined below).

44. If a Binding Offer other than the Stalking Horse Agreement is received, the Monitor, in consultation with the Applicants, will direct such Binding Bidder to participate in an auction (the “**Auction**”). The Auction will be administered by the Monitor and governed by auction procedures prepared by the Monitor.

45. The highest bid at the Auction will be deemed the best bid (the “**Successful Bid**”).
46. After the selection of a Successful Bid, the SISP contemplates:
- (a) **granting of an Approval Order:** on the earliest possible date after the selection of the Successful Bid, the Applicants shall apply to the Court on or before May 2, 2025 for one or more orders approving such Successful Bid, vesting title to the purchased assets in the name of the successful bidder, and/or vesting unwanted liabilities out of one or more of the Applicants (the “**Approval Order**”); and
 - (b) **closing of the transaction by the Outside Date:** the parties will close the transaction contemplated in the Successful Bid by the Outside Date, being May 16, 2025.
47. On the closing of the transaction contemplated in the Successful Bid, all Binding Offers other than the Successful Bid will be deemed rejected.

D. The Stalking Horse Agreement

48. The SISP includes the Stalking Horse Bid, in the form of the Stalking Horse Agreement, to stimulate market interest by setting a “floor” price that bidders in the SISP must bid against. Notwithstanding that all reasonable efforts outlined in the SISP will be made to solicit interest, the Stalking Horse Bid also provides comfort and assurance to stakeholders that the SISP will result in a successful transaction that will permit the Applicants to emerge from this CCAA proceeding as an active and viable business for their stakeholders’ benefit, including the Applicants’ 83 employees, 23 contractors, Carriers, and customers.
49. As noted above, approval of the Stalking Horse Agreement on this motion is only being sought for the purposes of approving it as the Stalking Horse Bid under the SISP. To the extent the Stalking Horse Agreement is ultimately designated as the Successful Bid in the SISP, further

approval will be sought from the Court to conclude the transactions contemplated therein.

50. The principal terms of the Stalking Horse Agreement are summarized below. Defined terms used but not defined in the chart below are taken from the Stalking Horse Agreement:

Term	Details
Seller	JBT Transport Inc., Heritage Truck Lines Inc., Heritage Warehousing & Distribution Inc., Melair Management Inc., Waydom Management Inc., and Drumbo Transport Limited (collectively, the “ Companies ”)
Purchaser	Randy Bowman, Denis Medeiros and Kyle Medeiros, in trust for a company to be incorporated
Transaction Structure	Reverse vesting structure share subscription agreement Prior to closing, the Companies will incorporate a new company (“ Residual Co. ”) to which all the Excluded Assets, Excluded Contracts, and Excluded Liabilities will be transferred as part of the Closing Sequence. Residual Co. shall have no issued or outstanding shares.
Purchased Assets	The Companies shall issue to the Stalking Horse Bidder, and the Stalking Horse Bidder shall subscribe for that number and class of shares in the share capital of the Applicants from treasury, to be specified by the Stalking Horse Bidder at least two Business Days prior to the Closing Date, which shares shall be free and clear of all Encumbrances other than the Permitted Encumbrances (“ Purchased Shares ”). In addition to the Purchased Shares, the Retained Assets and Retained Liabilities will remain with the Purchased Entities.
Deposit	The Purchaser has paid a deposit in the principal amount of \$250,000 representing the principal amount advanced by the DIP Lender to the Applicants pursuant to and in accordance with the DIP Term Sheet and shall constitute payment of a deposit in the amount of 5% of the Cash Consideration.
Purchase Price	The total aggregate consideration payable by the Stalking Horse Bidder for the Purchased Shares is equal to approximately \$13,316,523.76 representing: (a) payment in cash of \$4,917,497.04, comprised of the Deposit plus further amounts payable at closing as follows:

	<ul style="list-style-type: none"> i. an amount equal to \$2,969,500 for the Equipment; ii. an amount equal to \$30,000 for the Inventory, iii. an amount equal to \$439,500 for Other Assets, iv. an amount equal to 43% of the Accounts Receivables, v. an amount equal to the Cure Costs, and vi. an amount equal to the Priority Payment Amount, and Administrative Expense Amount; <p>(b) the outstanding obligations payable by the Applicants as of the Closing Date pursuant the DIP Term Sheet including the principal amount of such claims and interest accrued as of the Closing Date, plus all accrued and unpaid interest thereon through to and including the Closing Date, plus any unpaid fees and expenses associated therewith; and</p> <p>(c) the assumption of the Retained Liabilities, including:</p> <ul style="list-style-type: none"> i. the outstanding obligations under the DIP Term Sheet as of the Closing Time; ii. the outstanding obligations in respect of the Non-TD Equipment Leases of the Companies owing as of the Closing Time; iii. the outstanding obligations in respect of the Retained Leases as of the Closing Time; and iv. Employee Liabilities.
<p>Excluded Assets and Excluded Liabilities</p>	<p>The Excluded Assets include,</p> <ul style="list-style-type: none"> (a) the Cash Consideration; (b) the Tax records and returns, and books and records pertaining thereto and other documents, in each case, that primarily or solely relate to any of the Excluded Liabilities or Excluded Assets, provided that the Purchased Entity may retain original copies of any such records if required by Applicable Law and provided further that the applicable Purchased Entity may take copies of all Tax records and books and records pertaining to such records to the extent necessary or useful for the carrying on of the Business after Closing, including the filing of any Tax Return; (c) the Excluded Contracts; (d) the Real Property; (e) HNL or any assets owned by it; (f) all communications, information or records, written or oral, that are in any way related to (i) the Transactions contemplated by

	<p>this Agreement, (ii) the sale of the Purchased Shares, (iii) any Excluded Asset or (iv) any Excluded Liability; and</p> <p>(g) any rights which accrue to Residual Co. under the transaction documents</p> <p>The Stalking Horse Bidder may also exclude any other assets or liabilities five (5) days prior to the hearing for the Approval Order.</p>
Closing Date	<p>No later than five (5) business days after the conditions to closing have been satisfied or waived (the “Closing Date”).</p> <p>The Closing Date shall be no later than the Outside Date of May 31, 2025 or such later date agreed to by each of the Companies and the Stalking Horse Bidder in writing in consultation with the Monitor.</p>
Retained Liabilities	<p>The Retained Liabilities include:</p> <ul style="list-style-type: none"> • Employee Liabilities; • the Cure Costs and liabilities of the Purchased Entities under the Retained Contracts from and after the Closing Time; • the Cure Costs and liabilities arising from or in connection with the performance of the Retained Leases, from and after the Closing Time; • the Post-Filing Claims that remain outstanding as at the Closing Time; • the Intercompany Liabilities payables (and all Claims, Encumbrances relating thereto); • Tax liabilities of the Purchased Entities for any period, or the portion thereof, beginning on or after the Closing Date; • HNL Loan; • Broker Payables; • Carrier Trust Fund; • the outstanding obligations under the DIP Term Sheet as of the Closing Time; and • the outstanding obligations in respect of the Retained Contracts owing as of the Closing Time.
As is, Where is	<p>The Stalking Horse Bidder acquires the Purchased Shares on an “as is, where is basis”, subject to representations and warranties of the Companies contained in Article 4 of the Stalking Horse Agreement. I understand from my counsel that the representations and warranties contained in Article 4 are typical for share subscription agreements in</p>

	the CCAA including due authorization to execute the agreement, the existence of the Companies, and an absence of conflicts/actions that would prevent the consummation of the transaction.
Employees	The Stalking Horse Bidder will determine which employees it will assume and continue to employ prior to Closing.
Key Conditions to Closing	<p>The key conditions for closing include:</p> <ul style="list-style-type: none"> • the SISP Approval Order and the Approval Order have been issued and entered and are Final Orders; • the Stalking Horse Agreement was selected as the Successful Bid; • the Parties shall have received the required Transaction Regulatory Approvals; and • the Pre-Closing Reorganization Steps, if required by the Purchaser, shall have been effected prior to Closing in form and substance acceptable to the Parties.

51. The Stalking Horse Agreement also entitles the Stalking Horse Bidder to a Break Fee of \$65,000 (approximately 1.35% of the cash portion of the purchase price) in the circumstances where the Stalking Horse Agreement is not selected as the Successful Bid under the SISP. If the Stalking Horse Agreement is chosen as the Successful Bid, then no Break Fee will be payable to the Stalking Horse Bidder.

52. The Break Fee is intended to compensate the Stalking Horse Bidder for the value that the Stalking Horse Bid provides to the SISP and the CCAA proceeding generally. As discussed above, the Stalking Horse Agreement will reassure stakeholders that the business will continue as a going concern, which in turn provides stability for the Applicants at a time when stability is of paramount importance. The Stalking Horse Agreement also benefits potential bidders by providing a base valuation of the Applicants' assets and the form of the Stalking Horse Agreement for their use.

53. I understand from my counsel, Ms. Fell, that the parties and the Monitor are of the view that the quantum of the Break Fee is reasonable, given that the Stalking Horse Agreement was

the product of good faith negotiations amongst the parties, and it is on the low-end of break fees that have been accepted by the Court in similar circumstances where the Stalking Horse Bidder is related to the Applicants.

54. The Applicants believe that the Stalking Horse Agreement, if selected as the Successful Bid, provides stakeholders with a superior recovery in comparison to a liquidation. To demonstrate this, the Applicants, with the assistance of their financial advisor, Grant Thornton, have prepared an analysis of the recovery available under the Stalking Horse Agreement compared to the recovery available in a liquidation scenario. This analysis is attached hereto as **Confidential Exhibit "1"**. I am advised by Ms. Fell that this analysis was previously shared with TD Bank on February 19, 2025 and was the subject of detailed discussions with counsel for TD Bank.

55. I believe that if there are superior liquidation or other offers available in the market, they will be revealed during the SISP. Overall, I believe that the Stalking Horse Agreement is both fair and reasonable in the circumstances. I understand that the Monitor and DIP Lender support the approval of the Stalking Horse Agreement solely for the purpose of approving it as the Stalking Horse Bid under the SISP.

III. RELIEF BEING SOUGHT

A. Approval of the SISP and Stalking Horse Agreement

56. The proposed SISP is a key component of the Applicants' restructuring strategy. The floor price in the Stalking Horse Agreement provides for a significant recovery to TD Bank and provides for the assumption of the Retained Assets and Retained Liabilities by the Stalking Horse Bidder.

57. The Stalking Horse Agreement reassures Carriers, suppliers and employees that the business will continue in the normal course and that trade debt will continue to be paid. It also allows the Applicants to continue to source and obtain new contracts and work. The existence of the Stalking Horse Agreement avoids destabilization of the business while the Applicants canvass

the market.

58. The SISP, with the Stalking Horse Agreement, is designed to maximize realization to the benefit the Applicants' stakeholders and creditors as a whole. To the broader market, the Stalking Horse Agreement signals value in the business and encourages further and higher bids that would enhance recovery for the benefit of the stakeholders and creditors of the Applicants.

59. I believe that the Stalking Horse Agreement, in its current form, provides a going-concern solution for substantially all of the Applicants' creditors, including their secured creditor, TD Bank, and provides value over and above that which the creditors would receive in a liquidation.

B. Sealing of the Confidential Exhibit

60. The Applicants request that this Court seal the Confidential Exhibit attached to this affidavit which contains a confidential analysis of the value of the Stalking Horse Agreement compared to liquidation value of the Applicants.

61. The Applicants believe that the sealing of the Confidential Exhibit is appropriate. The exhibit contains commercially sensitive information, which, if made public, would negatively affect the Applicants' ability to maximize value and maintain integrity of the SISP or in any sale process under a receivership proceeding.

IV. Conclusion

62. The Applicants believe that it is in the interests of their stakeholders that this Court grant the relief requested in accordance with the terms of the proposed ARIO and SISP Approval Order.

63. I swear this supplemental affidavit in support of the Applicants requested relief and for no other or improper purpose.

SWORN REMOTELY BY Denis)
Medeiros stated as being located in)
Cambridge, Ontario, before me at Toronto,)
Ontario, this 24th day of February, 2025,)
in accordance with O. Reg 431/20,)
Administering Oath or Declaration)
Remotely.)
)

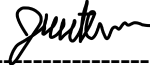
Jessica Wuthmann

A Commissioner for taking Affidavits.
Jessica Wuthmann

Denis Medeiros
Denis Medeiros (Feb 24, 2025 10:32 EST)

DENIS MEDEIROS

THIS IS **EXHIBIT "A"** REFERRED TO IN THE
AFFIDAVIT OF **DENIS MEDEIROS** AFFIRMED REMOTELY BY **DENIS MEDEIROS** STATED
AS BEING LOCATED IN THE CITY OF CAMBRIDGE IN THE PROVINCE OF ONTARIO THIS
24th DAY OF FEBRUARY, 2025



A COMMISSIONER FOR TAKING AFFIDAVITS
JESSICA WUTHMANN

LSO#72442W

Court File No. CV-25-00736572-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)	MONDAY, THE 10TH
)	
JUSTICE KIMMEL)	DAY OF FEBRUARY, 2025

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF JBT
TRANSPORT INC., WAYDOM MANAGEMENT INC., MELAIR MANAGEMENT INC., HERITAGE
TRUCK LINES INC., DRUMBO TRANSPORT LIMITED, HERITAGE NORTHERN LOGISTICS
INC., AND HERITAGE WAREHOUSING & DISTRIBUTION INC.**

Applicants

**ORDER
(CONTINUATION UNDER THE CCAA)**

THIS APPLICATION, made by the Applicants to continue the proceedings commenced by the Applicants by the filing of notices of intention to make a proposal under Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**") bearing estate file numbers 35-3178683, 35-3178693, 35-3178758, 35-3178767, 35-3178803, 35-3178893 and 35-3178904 (the "**NOI Proceedings**") under the *Companies Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**") was heard on this day at 330 University Avenue, Toronto, Ontario by video conference.

ON READING the affidavit of Denis Medeiros, sworn February 6, 2025 and the Exhibits thereto (the "**Medeiros Affidavit**"), the First Report of Dodick Landau Inc. (in its capacity as proposal

trustee of the Applicants in the NOI Proceedings (the “**Proposal Trustee**”) and as proposed Monitor in these CCAA proceedings), and the application materials of The Toronto-Dominion Bank (“**TD Bank**”), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, the Proposal Trustee and such other counsel as were present as listed on the counsel slip, no one else appearing although duly served as appears from the certificate of service of Jasmine Landau affirmed February 7, 2025, and on reading the consent of Dodick Landau Inc. to act as the Monitor,

SERVICE

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

CONTINUANCE UNDER THE CCAA

2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies, and the Applicants shall enjoy the benefits of the protection and authorizations provided to the Applicants by this Order.

3. **THIS COURT ORDERS AND DECLARES** that effective February 10, 2025 (the “**Filing Date**”), the NOI Proceedings are hereby taken up and continued under the CCAA and that, as of such date, the provisions of the BIA shall have no further application to the Applicants, save that any and all steps, agreements and procedures validly taken, done or entered into by the Applicants shall remain valid and binding, notwithstanding the commencement of these CCAA proceedings; and, without limiting the foregoing, any notice of disclaimer or resiliation issued pursuant to s. 65.11 of the BIA shall be deemed to have been issued on the same date under s. 32 of the CCAA and shall continue in full force and effect under the provisions of the CCAA.

4. **THIS COURT ORDERS** that the Monitor shall have the benefit of all rights and protections granted to the Proposal Trustee under the BIA.

POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Medeiros Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System.

7. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

8. **THIS COURT ORDERS that**, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

9. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iv) income taxes;

- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

10. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, in accordance with the terms of the applicable lease agreement.

11. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicants disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer is delivered or deemed to have been delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including February 28, 2025, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or

the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. **THIS COURT ORDERS** that, subject to paragraph 33 herein, during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all Carriers (as defined herein), computer software, communication and other data services, centralized banking services, payroll

services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

PAYMENT OF PRE-FILING AMOUNTS

18. **THIS COURT ORDERS** that the Applicants shall be entitled to pay, with the written approval of the Monitor, the amounts owing to the suppliers, for critical goods or services actually supplied to the Applicants prior to the Filing Date if, in the opinion of the Applicants, such payment is necessary to maintain the uninterrupted operations of the business.

NON-DEROGATION OF RIGHTS

19. **THIS COURT ORDERS** that, subject to paragraphs 31 to 33, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

NO PRE-FILING VS POST-FILING SET OFF

20. **THIS COURT ORDERS** that no Person shall be entitled to set off any amounts that: (i) are or may become due to the Applicants in respect of obligations arising prior to the date hereof with

any amounts that are or may become due from the Applicant in respect of obligations arising on or after the date of this Order; or (ii) are or may become due from the Applicant in respect of obligations arising prior to the date hereof with any amounts that are or may become due to the Applicant in respect of obligations arising on or after the date of this Order, each without the consent of the Applicant and the Monitor or further Order of this Court.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

APPOINTMENT OF MONITOR

22. **THIS COURT ORDERS** that Dodick Landau Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

23. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (d) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (e) perform such other duties as are required by this Order or by this Court from time to time.

24. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

25. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or

other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

26. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants are confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

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

28. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a bi-weekly basis or at such other interval as deemed appropriate.

29. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

30. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, if any, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$150,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, since January 24, 2025 in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 34 and 36 hereof.

CRITICAL SUPPLIERS CHARGE AND DEALINGS WITH CUSTOMERS OF THE APPLICANTS

31. **THIS COURT ORDERS** that all transportation carriers and owner operators that are engaged by the Applicants to provide carrier services during the Stay Period or are in the process of providing services, including those Carriers listed on **Schedule "A"** hereto (each, a "**Carrier**", and collectively, the "**Carriers**"), be and are hereby stayed from contacting customers of the Applicants in respect to the business of the Applicants, including but not limited to, requiring customers to make payments to the Carriers, soliciting business from such customer, from taking any enforcement action with respect to the Carrier Trust Funds (as defined herein) or from holding the Applicants load freight product hostage on account of any outstanding indebtedness owing by the Applicants to Carriers prior to the Filing Date.

32. **THIS COURT ORDERS** that all receivables received by the Applicants on or after the Filing Date shall be treated in accordance with the provisions of the *Highway Traffic Act*, RSO 1990, c. H. 8 (the "**HTA**"), including section 190.0.1(3) therein. Specifically, the Monitor shall confirm that funds impressed with a trust pursuant to section 191.0.1(3) of the *HTA* ("**Carrier Trust Funds**") shall be held in a segregated account and will be paid to the Carriers pursuant to and in accordance with the *HTA*.

33. **THIS COURT ORDERS** that, in order to secure any Carrier's right to payment for the supply of services rendered to the Applicants in respect of shipments in connection with which such Carrier was engaged by the Applicants for the carriage of goods on or subsequent to the Filing Date, each Carrier be and is hereby granted a charge on the applicable receivable associated with such shipment received by the Applicants or any of them, from and after the Filing Date (each a "**Receivable**"), and the charge on the applicable Receivable shall be in the amount owing to the Carrier (all such charges, collectively the "**Critical Suppliers Charge**").

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

34. **THIS COURT ORDERS** that the priorities of the Administration Charge and the Critical Suppliers Charge (the "**Charges**"), as among them, shall be as follows:

First – Critical Suppliers Charge (solely in respect the applicable Receivable); and

Second – Administration Charge (to the maximum amount of \$150,000).

35. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

36. **THIS COURT ORDERS** that subject to the terms herein, each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, except that the Critical Suppliers Charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise solely in respect of the applicable Receivable.

37. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that

rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor, TD Bank and the beneficiaries of the Administration Charge, or further Order of this Court.

38. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges;
and
- (c) the payments made by the Applicants pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

39. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

SERVICE AND NOTICE

40. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, and (B) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

41. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: https://dodick.ca/public_documents/jbt-transport-inc-drumbo-transport-ltd-heritage-warehousing-distribution-inc-heritage-truck-lines-inc-heritage-northern-logistics-inc-melair-management-inc-and-waydom-management-inc-col/.

42. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile

transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

43. **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the "**Service List**"). The Monitor shall post the Service List, as may be updated from time to time, on the case website as part of the public materials in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

44. **THIS COURT ORDERS** that the Applicants and the Monitor and their respective counsel are at liberty to serve or distribute this Order, and other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

COMEBACK MOTION

45. **THIS COURT ORDERS** that the comeback motion shall be heard by a judge of the Ontario Superior Court of Justice (Commercial List) as a hearing *de novo* on February 27, 2025 at 11:00 a.m.

GENERAL

46. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

47. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

48. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

49. **THIS COURT ORDERS** that each of the Applicants and the Monitor 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, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

50. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

51. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

SCHEDULE 'A'

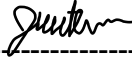
Carrier List
401 Transport Connections
Alpha Trans LTD
Arrive Logistics
Arsh Gill Trucking
ASL Global Logistics
Autobahn Freight
B2B Freightway
Baba Maur Transport
Best Care Transport
Canadian Line Haul
Caneda Transport
Canex Freight
Can-Truck 2009 Inc.
Caramex Logistics
D4 Logistics Inc.
DC Courier
DMK Express
E.G. Gray
First Base Freight
Friends Enterprises
Haul Expedite Inc.
Hemo Logistics
Highlight Motor Freight
I.S. Trucking Limited
Kartz Transport Inc.
Khehra Trucklines
Kooner Transport Group
Nationwide Logistics
North Plus Inc.
Ollie Transport Inc.
ON Target Courier & Cargo LTD
ONE Call Express
Pace Marathon
Paul's Freight Lines
Peace Trucking Inc.
Polaris Transport Carriers Inc
Prime Line Logistics Inc.
Rajpura Transport
Rana Logistics Inc.
Road Train Express Inc

Shaan Truckline
Simconnect Freight MGMT
Sky High Express
SSP Truckline Inc.
Sterling Freight Systems
T.E.A.M.S Transport
Team Logistics Inc.
Top Star Logistics Inc.
Transway Transport Inc.
Tricorp Transportation
Tung Air Transport LTD
Turbo Trailer Transport LTD.
Velocity Transport
Wolf Pack Logistics
Just on Time Freight Systems
BDR International
Patco Transportation Inc.
Crossroads Express
I-Net Express
Rydex Freight Systems
Drive Force LTD.
SMS Logistics Inc.
Keena Truck Leasing & Trans LTD.
VTL Express Inc.
Longview Truckline LTD.

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
JBT TRANSPORT INC. ET AL.

<p>ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</p> <p><i>Proceedings commenced at TORONTO</i></p>	
<p>ORDER (Continuation Under the CCAA)</p>	
<p>RECONSTRUCT LLP 80 Richmond Street West, Suite 1700 Toronto, ON M5H 2A4</p> <p>Caitlin Fell LSO No. 60091H cfell@reconllp.com Tel: 416.613.8282</p> <p>Brendan Bissell LSO No. 40354V bbissell@reconllp.com Tel: 416.613.0066</p> <p>Jessica Wuthmann LSO No. 72442W jwuthmann@reconllp.com Tel: 416.613.8288</p> <p>Jasmine Landau LSO No. 74316K jlandau@reconllp.com Tel: 416.613.4880 Fax: 416.613.8290</p> <p>Lawyers for the Applicants</p>	

THIS IS **EXHIBIT "B"** REFERRED TO IN THE
AFFIDAVIT OF **DENIS MEDEIROS** AFFIRMED REMOTELY BY **DENIS MEDEIROS** STATED
AS BEING LOCATED IN THE CITY OF CAMBRIDGE IN THE PROVINCE OF ONTARIO THIS
24th DAY OF FEBRUARY, 2025



A COMMISSIONER FOR TAKING AFFIDAVITS
JESSICA WUTHMANN

LSO#72442W

STALKING HORSE SUBSCRIPTION AGREEMENT

**JBT TRANSPORT INC., HERITAGE TRUCK LINES INC., HERITAGE WAREHOUSING &
DISRIBUTION INC., MELAIR MANAGEMENT INC., WAYDOM MANAGEMENT INC., AND
DRUMBO TRANSPORT LIMITED**

COLLECTIVELY, AS THE COMPANY

-AND-

**RANDY BOWMAN, DENIS MEDEIROS AND KYLE MEDEIROS, IN TRUST FOR A COMPANY
TO BE INCORPORATED**

AS PURCHASER

THIS STALKING HORSE SUBSCRIPTION AGREEMENT is made as of February 24, 2025

BETWEEN:

JBT Transport Inc. ("**JBTTI**"), Heritage Truck Lines Inc. ("**HTL**"), Heritage Warehousing & Distribution Inc. ("**HWD**"), Melair Management Inc. ("**MM Inc.**"), Waydom Management Inc. ("**Waydom**"), and Drumbo Transport Limited ("**Drumbo**") each corporation incorporated and existing under the laws of the Province of Ontario (collectively, the "**Company**")

-and-

Randy Bowman, Denis Medeiros and Kyle Medeiros, in trust for a company to be incorporated under the laws of the Province of Ontario (the "**Purchaser**")

RECITALS:

- A. Each of JBTTI, HTL and HWD offers transportation services and operates as a third-party logistics provider to coordinate the transportation of goods from the supplier to purchaser in exchange for a broker commission and MM Inc. owns the real property municipally known as 425 Melair Drive, Ayr, Ontario which is the head office location of the Applicants (as hereinafter defined) and MM Inc. carries on property management services.
- B. On January 24, 2025, each of the Applicants filed a Notice of Intention to Make a Proposal ("**NOI**") under the *Bankruptcy and Insolvency Act* (Canada) (the "**NOI Proceedings**"). On February 10, 2025, the NOI Proceedings were converted to proceedings under the CCAA (as hereinafter defined) pursuant to an order by the Ontario Superior Court of Justice (Commercial List) (the "**CCAA Court**") which, among other things, seek creditor protection for, and certain relief in respect of the Applicants (as hereinafter defined).
- C. The Applicants plan to obtain a sales process approval order (the "**SISP Order**") from the CCAA Court to approve, among other things, the SISP (as hereinafter defined).
- D. Pursuant to the SISP, the Purchaser has been selected as the stalking horse bidder and as such, the Purchaser has agreed to subscribe for, and the Company has agreed to issue, the Purchased Shares on and pursuant to the terms set forth herein if Purchaser becomes the Successful Bidder (as hereinafter defined) pursuant to the SISP.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties (as hereinafter defined) agree as follows:

INTERPRETATION

1.1 Definitions

In this Agreement,

- (a) **“Account Receivable”** means all accounts receivable (including unbilled revenue from work in progress), bills receivable, Broker Receivables, trade accounts, trade debts and book debts due or accruing due in connection with the Business, including any refunds and rebates receivable relating to the Business or the Retained Assets and the full benefit of all security (including cash deposits), guarantees and other collateral held by the Company relating to the Business, and amounts receivable (or which may become receivable) by the Company under agreements whereby the Company has disposed of a business, facility or other assets, or under royalty (or other) agreements or documents related thereto and all bank accounts.
- (b) **“Administration Charge”** has the meaning given to it in the Initial Order.
- (c) **“Administrative Expense Amount”** means cash in the amount to be agreed to between the Monitor and the Purchaser, acting reasonably, which shall be paid to the Monitor on the Closing Date and held by the Monitor, for the benefit of Persons entitled to be paid the Administrative Expense Costs, subject to the terms hereof.
- (d) **“Administrative Expense Costs”** means the reasonable and documented costs and expenses, and reasonable accruals, for services performed by the Monitor, Residual Co. and their respective legal counsel after the Closing Date in connection with the CCAA Proceedings, the administration of such proceedings to their conclusion and this Agreement, including any bankruptcy of the Residual Co. and services in respect of the administration of the Excluded Assets, Excluded Liabilities and Residual Co.
- (e) **“Affiliate”** means, with respect to any specified Person, any other Person which, directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person (for the purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise). For greater certainty, an Affiliate of a Person shall include such Person’s investment funds and managed accounts and any funds managed or directed by the same investment advisor.
- (f) **“Agreement”** means this stalking horse subscription agreement and all attachments and Exhibits, in each case as the same may be supplemented, amended, restated or replaced from time to time, and the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this stalking horse subscription agreement and all attached Schedules and Exhibits, and unless otherwise indicated, references to Articles, Sections, Schedules and Exhibits are to Articles, Sections, Schedules and Exhibits in this stalking horse subscription agreement.

- (g) **“Applicable Law”** means any transnational, domestic or foreign, federal, provincial, territorial, state, local or municipal (or any subdivision of any of them) law (including common law and civil law), statute, ordinance, rule, regulation, restriction, limit, by-law (zoning or otherwise), judgment, order, direction or any consent, exemption, Transaction Regulatory Approval, or any other legal requirements of, or agreements with, any Governmental Authority, that applies in whole or in part to the Transactions contemplated by this Agreement, the members of the Applicants, the Purchaser, the Business, or any of the Purchased Shares or the Retained Liabilities.
- (h) **“Applicants”** means JBTTI, Drumbo, HTL, HNL, HWD, MM Inc., and Waydom and shall include Residual Co. after Residual Co. becomes an applicant under the Initial Order.
- (i) **“Approval and Reverse Vesting Order”** means an order of the CCAA Court in a form to be mutually agreed upon by the Purchaser and the Company, each acting reasonably.
- (j) **“Articles of Reorganization”** means, to the extent required, articles of reorganization in respect of the Company’s authorized and issued share capital immediately prior to completion of the Transactions to provide for a redemption right in favour of the Company or such other provision acceptable to the Company and the Purchaser, acting reasonably, that would result in holders of Existing Shares ceasing to hold their Existing Shares at the time such articles are filed and effective in accordance with the Closing Sequence and receiving “nil” consideration, such articles of reorganization to be in form and substance satisfactory to the Purchaser, acting reasonably.
- (k) **“Benefit Plan”** means the group insurance policy held by the Applicants with Royal Bank of Canada Life Insurance Company bearing policy number RBC00003085 and policy effective date January 1, 2023, as amended, restated, modified or supplemented from time to time.
- (l) **“Books and Records”** means all information in any form relating to the Retained Assets, including books of account, financial, operations, sale books, tax, business, marketing, personnel and research information and records, technical information, drill logs, equipment logs, technical reports, operating guides and manuals and all other documents, files, correspondence and other information, including all data, information and databases stored on computer-related or other electronic media.
- (m) **“Break-up Fee”** has the meaning given to such term in Section 8.1(a).
- (n) **“Broker Payable”** means the portion of the Broker Receivable that is paid to the Carriers the Applicants engage.
- (o) **“Broker Receivable”** means the Company’s Intercompany Receivable, that is part of the Logistics Business, comprising the monies provided by a supplier to the Applicants.
- (p) **“Business”** means the Company’s: (a) the Logistics Business; and (b) warehousing and distribution services for customers across Canada.
- (q) **“Business Day”** means any day, other than a Saturday or Sunday, on which commercial banks in Toronto, Ontario are open for commercial banking business during normal banking hours.

- (r) **“Carriers”** means the Company’s third-party carriers. **“Carrier”** means any one of them.
- (s) **“Carriers Trust Fund”** means a trust account holding the money payable to a Carrier. under Subsection 191.01.1(3) of the HTA.
- (t) **“Cash”** means all cash in bank accounts of the Applicants.
- (u) **“Cash Consideration”** has the meaning given to such term in Section 3.1.
- (v) **“CCAA”** means the *Companies’ Creditors Arrangement Act* (Canada), as amended.
- (w) **“CCAA Charge Amount”** means cash in an amount sufficient to satisfy the amounts owing in respect of obligations secured by the CCAA Charges (unless such amounts will be satisfied from the Administrative Expense Amount);
- (x) **“CCAA Charges”** means the Administration Charge, the DIP Lender’s Charge and the Critical Suppliers Charge.
- (y) **“CCAA Court”** has the meaning given to such term in Recital B.
- (z) **“CCAA Proceedings”** means the proceedings commenced under the CCAA by the Applicants pursuant to the Initial Order.
- (aa) **“Claims”** means any and all demands, claims, liabilities, actions, causes of action, counterclaims, expenses, costs, damages, losses, suits, debts, sums of money, refunds, accounts, indebtedness, rights of recovery, rights of set-off, rights of recoupment and liens of whatever nature (whether direct or indirect, absolute or contingent, asserted or unasserted, secured or unsecured, matured or not yet matured due or to become due, accrued or unaccrued or liquidated or unliquidated) and including all costs, fees and expenses relating thereto.
- (bb) **“Closing”** means the completion of the Transactions in accordance with the provisions of this Agreement.
- (cc) **“Closing Date”** means a date no later than five (5) Business Days after the conditions set forth in Article 7 have been satisfied or waived, other than the conditions set forth in Article 7 that by their terms are to be satisfied or waived at the Closing (or such other date agreed to by the Parties in writing); provided that, if there is to be a Closing hereunder, then the Closing Date shall be no later than the Outside Date.
- (dd) **“Closing Documents”** means all contracts, agreements, certificates and instruments required by this Agreement to be delivered at or before the Closing.
- (ee) **“Closing Sequence”** means the sequence set out in Schedule 11.2, which may be updated from time to time in accordance with Section 11.2 until two (2) Business Days prior to the Closing Date.
- (ff) **“Closing Time”** means 12:00 p.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place.
- (gg) **“Company”** has the meaning given to it in the recitals hereto.

- (hh) **“Credit Bid Release”** means a full and final release of all Applicants of their respective obligations under the DIP Facility, which shall be in a form and substance satisfactory to the Applicants and the Monitor, each acting reasonably.
- (ii) **“Critical Suppliers Charge”** has the meaning given to it in the Initial Order.
- (jj) **“Cure Costs”** means the amounts, if any, that are required to cure any monetary defaults of the Company under any Retained Contract or Retained Lease.
- (kk) **“Deposit”** has the meaning given to such term in Section 3.2(a).
- (ll) **“DIP Credit Bid Consideration”** has the meaning given to such term in Section 3.1(b).
- (mm) **“DIP Facility”** means amounts available under the DIP Term Sheet.
- (nn) **“DIP Lender”** means Randy Bowman, as lender under the DIP Term Sheet.
- (oo) **“DIP Lender’s Charge”** has the meaning given to it in the Initial Order.
- (pp) **“DIP Term Sheet”** means interim financing term sheet dated February 5, 2025 between the Applicants, as borrowers, and the DIP Lender, pursuant to which the DIP Lender has agreed to advance to the Applicants the maximum principal amount under the DIP Facility, as may be amended from time to time.
- (qq) **“Employee Liabilities”** means wages, vacation pay, and Benefit Plans owing by any Purchased Entity to any Retained Employee accruing to and after the Closing Time.
- (rr) **“Employees”** means individuals employed or retained by the Purchased Entities, on a full-time, part-time or temporary basis, including those employees on disability leave, parental leave or other absence, and **“Employee”** means any one of them.
- (ss) **“Encumbrance”** means any security interest (whether contractual, statutory or otherwise), lien, prior claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage, trust (including any statutory, deemed or constructive trust), option or adverse claim or encumbrance of any nature or kind.
- (tt) **“Encumbrances to Be Discharged”** means all Encumbrances on the Retained Assets, including without limitation the Encumbrances listed in Schedule (ss), as such Schedule may be amended, supplemented or restated by the Purchaser from time to time up to two (2) Business Days prior to the hearing of the motion for the Approval and Reverse Vesting Order (or such other date agreed to by the Purchaser and the Company), the CCAA Charges and any other charge granted by the Court in the CCAA Proceedings, excluding only the Permitted Encumbrances.
- (uu) **“Equipment”** means all machinery, equipment, furnishing, furniture, parts, dies, molds, tooling, tools, computer hardware, supplies, accessories and other tangible Person and moveable property owned by the Company in connection with the Business.
- (vv) **“Equity Interests”** means any capital share, capital stock, partnership, membership, joint venture or other ownership or equity interest, participation or securities (whether voting or nonvoting, whether preferred, common or otherwise, and including share appreciation,

contingent interest or similar rights) of a Person.

- (ww) **“Excluded Assets”** has the meaning given to such term in Section 2.2 including any assets that are added as Excluded Assets pursuant to Section 2.7.
- (xx) **“Excluded Contracts”** means contracts of the Purchased Entities which are not Retained Contracts, including any contracts that are added as Excluded Contracts pursuant to Section 2.7.
- (yy) **“Excluded Leases”** means all Leases in respect of the Leased Real Property which are not Retained Contracts, including those which have been or will be disclaimed by the Purchased Entities in the CCAA Proceedings.
- (zz) **“Excluded Liabilities”** has the meaning given to such term in Section 2.5 including any liabilities that are added as Excluded Liabilities pursuant to Section 2.7.
- (aaa) **“Existing Shares”** means the existing common shares in the capital of the Company and other Purchased Entities which are owned, directly or indirectly, by the Company.
- (bbb) **“Filing Date”** means January 24, 2025.
- (ccc) **“Final Order”** means with respect to any order or judgment of the CCAA Court, or any other court of competent jurisdiction, with respect to the subject matter addressed in the CCAA Proceedings or the docket of any court of competent jurisdiction, that such order or judgement has not been vacated, set aside, reversed, stayed, modified or amended, and as to which the applicable periods to appeal, or seek certiorari or move for a new trial, re-argument, or rehearing has expired and no appeal, leave to appeal, or petition for certiorari or other proceedings for a new trial, re-argument, or rehearing has been timely taken or filed, or as to which any appeal has been taken or any petition for certiorari or leave to appeal that has been timely filed has been withdrawn or resolved in a manner acceptable to the Company and the Purchaser, each acting reasonably, by the highest court to which the order or judgment was appealed or from which leave to appeal or certiorari was sought or the new trial, re-argument, or rehearing shall have been denied, resulted in no modification of such order or has otherwise been dismissed with prejudice.
- (ddd) **“GAAP”** means generally accepted accounting principles as set out in the *CPA Canada Handbook – Accounting* for an entity that prepares its financial statements in accordance with International Financial Reporting Standards, at the relevant time, applied on a consistent basis
- (eee) **“Goodwill”** means the goodwill of the Business, including the exclusive right of the Purchaser to represent itself as carrying on the Business in continuation of and in succession to the Company.
- (fff) **“Governmental Authority”** means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them, or exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

- (ggg) **"GST/HST"** means all goods and services tax and harmonized sales tax imposed under the ETA.
- (hhh) **"HNL"** means Heritage Northern Logistics Inc., a corporation incorporated and existing under the laws of Ontario.
- (iii) **"HNL Loan"** means HNL's loan payable to JBTTI in the net amount of \$50,000.
- (jjj) **"HTA"** means the *Highway Traffic Act* (Ontario).
- (kkk) **"Initial Order"** means the Amended and Restated Initial Order dated February 27, 2025 granted by the CCAA Court pursuant to the CCAA, as may be further amended and restated from time to time.
- (lll) **"Insurance"** means the interest of the Company in all contracts of insurance, insurance policies and insurance plans which are assets of or maintained in connection with the Retained Assets, any insurance proceeds net of any deductibles recovered by the Company under all other contracts of insurance, insurance policies (excluding directors and officers policies) and insurance plans between the date of this Agreement and the Closing Date, and the full benefit of the Company's rights to insurance claims relating to the Business and amounts recoverable in respect thereof net of any deductible to the extent of any of the foregoing are transferable.
- (mmm) **"Insurance Refund"** means the benefit of any refundable Insurance payable or paid by the Company net of any amounts withheld by any insurance authority, and any claim or right of the Company to any refund, rebate, or credit of Insurance.
- (nnn) **"Intellectual Property"** means any or all of the following items of the Company, wherever located, domestic or foreign: all patents and patent rights, trademarks and trademark rights, trade names and trade name rights, service marks and service mark rights, service names and service name rights, copyrights and copyright rights, brand names, trade dress, business and product names, domain names, corporate names, logos, slogans, trade secrets, inventions, process formulae, industrial models, designs, specifications, data, technology, methodologies, computer programs (including all source code), confidential and proprietary information, whether or not subject to statutory registration, all related technical information, manufacturing, engineering and technical drawings, know how, all pending applications for and registrations of patents, trademarks, service marks and copyrights, including all obligations of third parties relating to the protection of the foregoing, the Goodwill associated with the foregoing, and the right to sue for past payment, if any, in connection with any of the foregoing, and all documents, disks and other media on which any of the foregoing is stored or located.
- (ooo) **"Intercompany Liabilities"** means all Liabilities owing between or among the Purchased Entities.
- (ppp) **"Intercompany Receivables"** means all Account Receivables owing to the Purchased Entities.
- (qqq) **"Inventory"** means all inventories of goods, including raw materials, finished goods, work in process and supplies, goods in transit that are held by the Company for sale, license, or other distribution (and includes all supplies used by the Company in the operation of

the Business) on hand at Closing.

- (rrr) **“Leased Real Property”** means the real or immovable property used for the Business and owned by the Purchased Entities municipally known as, 60 Steckle Place, Kitchener, Ontario, pursuant to a lease agreement between DIR Properties (GP) Inc., as landlord, and HWD, as tenant, dated February 3, 2022 (as amended, restated, supplemented or otherwise modified from time to time). together with any and all interests of the Purchased Entities in all plants, buildings, structures, fixtures, erections, improvements, easements, rights-of-way and other appurtenances situated on or forming part of those premises.
- (sss) **“Leases”** means the leases or agreements in the nature of a lease or right of occupancy of real property to which any Purchased Entity is a party whether as lessor or lessee, in respect of or related to the Leased Real Property.
- (ttt) **“Liability”** means any debt, loss, damage, adverse claim, fines, penalties, liability or obligation (whether direct or indirect, known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, matured or unmatured, determined or determinable, disputed or undisputed, liquidated or unliquidated, or due or to become due, and whether in or under statute, contract, tort, strict liability or otherwise), and includes all costs and expenses relating thereto (including all fees, disbursements and expenses of legal counsel, experts, engineers and consultants and costs of investigation), and, **“Liabilities”** means the plural thereof.
- (uuu) **“License”** means, collectively any and all permits, licences, authorizations, consents, concessions, exemptions, leases, grants, permits, rights, privileges, approvals or other evidence of authority from any Governmental Authority and related to the Business and that has been issued to, granted to, conferred upon, or otherwise created for any Purchased Entity.
- (vvv) **“Litigation Claim”** means any litigation between the Applicants and Trade-Mark Industrial Inc., Trade-Crete Ltd. and Comtrade Ltd.
- (www) **“Logistics Business”** means the services the Applicants provide as a third-party logistics provider, to coordinate the transportation of goods from the supplier to the purchaser in exchange for a commission.
- (xxx) **“Material Adverse Effect”** means any change, effect, event, occurrence, state of facts or development that has had a material adverse effect on: (i) the Business, assets, liabilities, financial conditions or results of operations of the Purchased Entities, taken as a whole; or (ii) prevents the ability of any of the Purchased Entities to perform their obligations under, or to consummate the Transactions contemplated by, this Agreement, but excluding any such change, effect, event, occurrence, state of facts or development attributable to or arising from: (A) general economic or business conditions; (B) Canada, the U.S. or foreign economies, or financial, banking or securities markets in general, or other general business, banking, financial or economic conditions (including: (I) any disruption in any of the foregoing markets or any imposition of sanction or tariff; (II) any change in the currency exchange rates; or (III) any decline or rise in the price of any security, commodity, contract or index); (C) acts of God, or other calamities, pandemics (including worsening thereof), national or international political or social conditions, including the engagement and/or escalation by the U.S. or Canada in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of

- any military or terrorist attack upon the U.S. or Canada or any of their territories, possessions or diplomatic or consular offices or upon any military installation, equipment or personnel of the U.S. or Canada; (D) the identity of the Purchaser or its Affiliates; (E) conditions affecting generally the industry in which any of the Purchased Entities participate; (F) the public announcement of, entry into or pendency of, actions required or contemplated by or performance of obligations under, this Agreement or the Transactions contemplated by this Agreement, or the identity of the Parties; (G) changes in Applicable Laws or the interpretation thereof; (H) any change in GAAP or other accounting requirements or principles; (I) national or international political, labor or social conditions; (J) the failure of the Purchased Entities to meet or achieve the results set forth in any internal projections (but not the underlying facts giving rise to such failure unless such facts are otherwise excluded pursuant to the clauses contained in this definition); or (K) any change resulting from compliance with the terms of, or any actions taken (or not taken) by any Party pursuant to or in accordance with, this Agreement; provided that the exceptions set forth in clauses (A), (B), (C), (E), (G), (H) or (I) shall not apply to the extent that such event is disproportionately adverse to the Purchased Entities, taken as a whole, as compared to other companies in the industries in which the Purchased Entities operate.
- (yyy) **“Monitor”** means Dodick Landau Inc., as court-appointed monitor of the Applicants in the CCAA Proceedings, and not in its personal or corporate capacity.
- (zzz) **“Monitor’s Certificate”** means the certificate delivered to the Purchaser, and filed with the CCAA Court, by the Monitor certifying that the Monitor has received written confirmation in form and substance satisfactory to the Monitor, in its sole discretion, from each of the Company and the Purchaser that all conditions to Closing have been satisfied or waived by the applicable Parties and the Transactions contemplated by this Agreement have been completed.
- (aaaa) **“NOI Proceedings”** has the meaning given to such term in Recital B.
- (bbbb) **“Non-TD Equipment Lease”** means the Company’s outstanding Liabilities under Equipment leases with lessors other than TD Bank.
- (cccc) **“Order”** means any order of the Court made in the CCAA Proceedings, or any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.
- (dddd) **“Other Assets”** means the Company’s Intellectual Property, Real Property, Litigation Claim, Insurance Refund, Vendor Take-Back Mortgage, and Prepaid Amounts.
- (eeee) **“Outside Date”** has the meaning given to such term in Section 10.1(c).
- (ffff) **“Parties”** means the Company and the Purchaser collectively, and **“Party”** means any one of them, as the context requires.
- (gggg) **“Permitted Encumbrances”** means the Encumbrances listed in Schedule (ffff).
- (hhhh) **“Person”** includes an individual, partnership, firm, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, entity, corporation, unincorporated association, or organization, syndicate, committee, court appointed representative, the government of a country or any political subdivision thereof, or any

agency, board, tribunal, commission, bureau, instrumentality, or department of such government or political subdivision, or any other entity, howsoever designated or constituted, including any Taxing Authority, and the trustees, executors, administrators, or other legal representatives of an individual, and for greater certainty includes any Governmental Authority.

- (iii) **“Post-Filing Claims”** means any or all indebtedness, liability, or obligation of the members of the Applicants that arises during and in respect of the period commencing on the Filing Date and ending on the day immediately preceding the Closing Date in respect of services rendered or supplies provided to the Applicants during such period.
- (jjj) **“Pre-Closing Reorganization”** has the meaning given to such term in Section 2.10.
- (kkk) **“Prepaid Amounts”** means all prepayments of expenses, prepaid charges, deposits, security deposits, sums and fees related to the Business in respect of the Retained Assets.
- (lll) **“Prior Equity Interests”** means any and all of the following that exists immediately prior to Closing and relates to any of the Company: (i) Equity Interests; and (ii) any of the following that is convertible or exchangeable for any Equity Interest or which provide for or require the issuance, conversion, sale or transfer by the Company of any Equity Interests of the Company or otherwise relating thereto, namely, any agreement, contract, plan, indenture, deed, certificate, subscription right, conversation right, pre-emptive right, option, warrant, security, debenture, loan, note or other document, instrument, right or commitment of any character whatsoever; provided for avoidance of doubt that the Purchased Shares shall not constitute Prior Equity Interests.
- (mmm) **“Priority Payment Amount”** means an amount equal to: (a) those priority payments prescribed under subsections 6(3), 6(5)(a) and 6(6) of the CCAA; (b) the CCAA Charge Amounts; and (c) any payments in respect of Leases that are required under the CCAA.
- (nnn) **“Purchase Price”** has the meaning given to such term in Section 3.1.
- (ooo) **“Purchased Entities”** means JBTTI, HTL, HWD, MM Inc., Waydom and Drumbo and **“Purchased Entity”** means any one of them after the Closing Date.
- (ppp) **“Purchased Shares”** has the meaning given to such term in Section 2.1(a).
- (qqq) **“Purchaser”** has the meaning given to such term in the preamble to this Agreement.
- (rrr) **“Real Property”** means the real or immovable property and owned by MM Inc. municipally known as 425 Melair Drive, Ayr, Ontario and all plants, buildings, structures, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) thereon or forming part thereof.
- (sss) **“Residual Co.”** means a corporation to be incorporated by the Company in advance of Closing, to which the Excluded Assets, Excluded Contracts, Excluded Leases and Excluded Liabilities will be transferred to as part of the Closing Sequence, which shall have no issued and outstanding shares.
- (ttt) **“Retained Assets”** has the meaning given to such term in Section 2.3.

- (uuuu) **“Retained Contracts”** means, other than the Retained Leases, all contracts of the Purchased Entities, including the Non-TD Equipment Leases, those contracts in Schedule (tttt) including any contracts that are added as Retained Contracts pursuant to Section 2.8.
- (vvvv) **“Retained Employees”** means all Employees of the Purchased Entities as of the Closing Date other than the Terminated Employees.
- (wwwv) **“Retained Leases”** means all Leases in respect of Leased Real Property as of the Closing Date.
- (xxxx) **“Retained Liabilities”** has the meaning given to such term in Section 2.4 including any liabilities that are added as Retained Liabilities pursuant to Section 2.8.
- (yyyy) **“SISP”** means the sale and investment solicitation process approved by the SISP Order, as may be amended by the CCAA Court from time to time, which must be acceptable to the Purchaser, acting reasonably.
- (zzzz) **“SISP Order”** has the meaning ascribed to it in Recital C.
- (aaaa) **“Successful Bid”** has the meaning ascribed to it in the SISP, and the bidder of making such bid is the **“Successful Bidder”**.
- (bbbb) **“Tax”** and **“Taxes”** means taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever (including withholding on amounts paid to or by any Person) imposed by any Taxing Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Taxing Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, GST/HST, value added, consumption, sales, use, excise, stamp, withholding, business, franchising, escheat, property, development, occupancy, employer health, payroll, employment, health, disability, severance, unemployment, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all license, franchise and registration fees and all employment insurance, health insurance and Canada, Ontario, and other government pension plan premiums or contributions.
- (cccc) **“Tax Act”** means the *Income Tax Act* (Canada) and shall also include a reference to any applicable and corresponding provisions under the income tax laws of a province or territory of Canada, as applicable.
- (dddd) **“Tax Return”** means any return, declaration, report, statement, information statement, form, election, amendment, claim for refund, schedule or attachment thereto or other document filed or required to be filed with a Taxing Authority with respect to Taxes.
- (eeee) **“Taxing Authorities”** means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof, and any Canadian or other Governmental Authority exercising taxing authority or power, and **“Taxing Authority”** means any one of the Taxing Authorities.

- (fffff) **“TD Bank”** means the Toronto-Dominion Bank.
- (ggggg) **“Terminated Employees”** means those Employees terminated by the applicable Purchased Entity on or prior to the Closing Date at the sole discretion of the Purchaser, provided that in respect of terminations of any Employees that are unionized, the applicable Purchased Entity’s prior consent is required and such terminations of any unionized Employees must comply with the applicable collective bargaining agreement.
- (hhhhh) **“Transaction”** means, collectively, the Pre-Closing Reorganization, the purchase and issuance of the Purchased Shares pursuant to this Agreement and all other transactions contemplated by this Agreement that are to occur contemporaneously with the purchase and issuance of the Purchased Shares.
- (iiiiii) **“Transaction Regulatory Approvals”** means any material license, permits approvals and/or grants required from any Governmental Authority or under any Applicable Laws relating to the business and operations of the Purchased Entities or the Purchaser that would be required to be obtained in order to permit the Company and the Purchaser to complete the transactions contemplated by this Agreement and for the Purchased Entities to carry on the Business following the Closing Date.
- (jjjjj) **“Vendor Take-Back Mortgage”** means Waydom’s first mortgage over 50% of an expired gravel pit, known as the Edworthy property located at 1580 Edworthy Side Road, Cambridge, Ontario.

1.2 Statutes

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

1.3 Headings, Table of Contents, etc.

The provision of a table of contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the interpretation of this Agreement. The recitals to this Agreement are an integral part of this Agreement.

1.4 Gender and Number

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders.

1.5 Currency

Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in Canadian dollars. References to “\$” are to Canadian dollars.

1.6 Certain Phrases

In this Agreement (i) the words “including”, “includes” and “include” and any derivatives of such words mean “including (or includes or include) without limitation” and (ii) the words “the aggregate

of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”. The expression “Article”, “Section” and other subdivision followed by a number, mean and refer to the specified Article, Section or other subdivision of this Agreement.

1.7 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon (i) such a determination of invalidity or unenforceability or (ii) any change in Applicable Law or other action by any Governmental Authority which materially detracts from the legal or economic rights or benefits, or materially increases the obligations, of any Party or any of its Affiliates under this Agreement, the Parties shall negotiate to modify this Agreement in good faith so as to effect the original intent of the Parties as closely as possible in an acceptable manner so that the Transactions contemplated by this Agreement be consummated as originally contemplated to the fullest extent possible.

1.8 Entire Agreement

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement among the Parties, and set out all the covenants, promises, warranties, representations, conditions and agreements among the Parties in connection with the subject matter of this Agreement, and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral among the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

1.9 Waiver, Amendment

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by all Parties hereto, and provided that such amendment is consented to by the Monitor. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

1.10 Governing Law; Jurisdiction and Venue

This Agreement, the rights and obligations of the Parties under this Agreement, and any Claim or controversy directly or indirectly based upon or arising out of this Agreement or the Transactions contemplated by this Agreement (whether based on contract, tort or any other theory), including all matters of construction, validity and performance, shall in all respects be governed by, and interpreted, construed and determined in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to the conflicts of law principles thereof. The Parties consent to the exclusive jurisdiction and venue of the CCAA Court for the resolution of any such disputes arising under this Agreement. Each Party agrees that service of

process on such Party as provided in Section 12.7 shall be deemed effective service of process on such Party.

1.11 Incorporation of Schedules and Exhibits

Any schedule or exhibit attached thereto, and any schedule or exhibit attached to this Agreement, is an integral part of this Agreement.

1.12 Accounting Terms

All accounting terms used in this Agreement are to be interpreted in accordance with GAAP unless otherwise specified.

1.13 Non-Business Days

Whenever payments are to be made or an action is to be taken on a day which is not a Business Day, such payment will be made or such action will be taken on or not later than the next succeeding Business Day.

1.14 Computation of Time Periods

If any action may be taken within, or any right or obligation is to expire at the end of, a period of days under this Agreement, then the first day of the period is not counted, but the day of its expiry is counted.

ARTICLE 2 SUBSCRIPTION AND ASSET PURCHASE

2.1 Agreement to Subscribe for and Issue Purchased Shares

- (a) Upon and subject to the terms and conditions of this Agreement, at the Closing and effective as of the Closing Time, in accordance with the Closing Sequence, the Company shall issue to the Purchaser, and the Purchaser shall subscribe for that number and class of shares in the share capital of the Company from treasury, to be specified by the Purchaser at least two Business Days prior to the Closing Date, which shares shall be free and clear of all Encumbrances other than Permitted Encumbrances (the "**Purchased Shares**").
- (b) Pursuant to the Approval and Reverse Vesting Order and, if required, the Articles of Reorganization, in accordance with the Closing Sequence, all Equity Interests of the Company outstanding prior to the issuance of the Purchased Shares, other than the Purchased Shares, shall be cancelled, without consideration, and the Purchased Shares shall represent 100% of the outstanding Equity Interests in the Company after such cancellation and issuance.

2.2 Excluded Assets

As of the Closing and pursuant to the Approval and Reverse Vesting Order, the assets of the Purchased Entities shall not include any of the following assets, together with any other assets as set forth on Schedule 2.2 (collectively, the “**Excluded Assets**”):

- (a) the Cash Consideration;
- (b) the Tax records and returns, and books and records pertaining thereto and other documents, in each case, that primarily or solely relate to any of the Excluded Liabilities or Excluded Assets, provided that the Purchased Entity may retain original copies of any such records if required by Applicable Law and provided further that the applicable Purchased Entity may take copies of all Tax records and books and records pertaining to such records to the extent necessary or useful for the carrying on of the Business after Closing, including the filing of any Tax Return;
- (c) the Excluded Contracts;
- (d) the Real Property;
- (e) HNL or any assets owned by it;
- (f) all communications, information or records, written or oral, that are in any way related to (i) the Transactions contemplated by this Agreement, (ii) the sale of the Purchased Shares, (iii) any Excluded Asset or (iv) any Excluded Liability;
- (g) any rights which accrue to Residual Co. under the transaction documents; and
- (h) any assets which are added as Excluded Assets pursuant to Section 2.7.

2.3 Retained Assets

On the Closing Date, the Purchased Entities shall retain, free and clear of any and all Encumbrances other than Permitted Encumbrances, all of the assets owned by them on the date of this Agreement and any assets acquired by them up to and including Closing, including the Retained Contracts and Licenses (collectively, the “**Retained Assets**”), except, however, any assets sold in the ordinary course of business between the date hereof and the Closing Date in accordance with the terms of this Agreement and the Initial Order. For greater certainty, the Retained Assets shall not include the Excluded Liabilities, Excluded Assets or the Excluded Liabilities which the Company shall transfer to Residual Co. in accordance with this Agreement.

2.4 Retained Liabilities

Pursuant to this Agreement and the Approval and Reverse Vesting Order, as of the Closing Time, the only obligations and liabilities of the Purchased Entities shall consist of only the items specifically set forth below (collectively, the “**Retained Liabilities**”):

- (a) Employee Liabilities;
- (b) the Cure Costs and liabilities of the Purchased Entities under the Retained Contracts from and after the Closing Time;
- (c) the Cure Costs and liabilities arising from or in connection with the performance of the Retained Leases, from and after the Closing Time;
- (d) the Post-Filing Claims that remain outstanding as at the Closing Time;
- (e) the Intercompany Liabilities payables (and all Claims, Encumbrances relating thereto);
- (f) Tax liabilities of the Purchased Entities for any period, or the portion thereof, beginning on or after the Closing Date;
- (g) HNL Loan;
- (h) Broker Payables;
- (i) Carrier Trust Fund;
- (j) the outstanding obligations under the DIP Term Sheet as of the Closing Time;
- (k) the outstanding obligations in respect of the Retained Contracts owing as of the Closing Time;
- (l) those specific Retained Liabilities set forth in Schedule 2.4; and
- (m) those liabilities that are added as Retained Liabilities pursuant to Section 2.8.

2.5 Excluded Liabilities

Except for Retained Liabilities, all Claims and all debts, obligations and liabilities of the Purchased Entities or any predecessors thereof, of any kind or nature, shall be assigned to, and become the sole obligation of, Residual Co. pursuant to the terms of the Approval and Reverse Vesting Order and this Agreement, and, as of the Closing, the Purchased Entities shall not have any obligation, duty, or liability of any kind whatsoever, except for Retained Liabilities, whether accrued, contingent, known or unknown, express or implied, primary or secondary, direct or indirect, liquidated, unliquidated, absolute, accrued, contingent or otherwise, and whether due or to become due, and such liabilities or obligations shall be the sole responsibility of Residual Co., including *inter alia*, and any and all liability relating to any change of control provision that may

arise in connection with the change of control contemplated by the Transactions hereunder and to which the Purchased Entities may be bound as at Closing, all liabilities relating to or under the Excluded Contracts, Excluded Leases, and Excluded Assets, liabilities for all Terminated Employees and those liabilities that are added as Excluded Liabilities pursuant to Section 2.7 (collectively, the “**Excluded Liabilities**”).

2.6 Transfer of Excluded Liabilities to Residual Co.

On the Closing Date, pursuant to the terms of the Approval and Reverse Vesting Order, the Purchased Entities shall assign and transfer the Excluded Liabilities to Residual Co., and Residual Co. shall assume the Excluded Liabilities in consideration of the Excluded Assets acquired by Residual Co. All of the Excluded Liabilities shall be discharged from the Purchased Entities as of the Closing, pursuant to the Approval and Reverse Vesting Order.

2.7 Right to Exclude Assets and Liabilities

At any time on or prior to the day that is five (5) days prior to the hearing date for the Approval and Reverse Vesting Order (or such later date as agreed to by the Purchaser and the Company with the consent of the Monitor), the Purchaser may, by giving notice to the Company and the Monitor, elect to: (a) exclude any assets or properties of any Purchased Entity from the Retained Assets, and add such assets or properties to the Excluded Assets; (b) exclude any contract from the Retained Contracts, including any Leases that are not amended to the satisfaction of the Purchaser, and add such contracts to the Excluded Contracts; and (c) exclude any liability other than the liability set out in Section 2.4(c) from the Retained Liabilities and add such liability to the Excluded Liabilities. No changes to the Purchase Price shall result from the exclusion of any assets, properties, Contracts, Liabilities, Leases, Retained Contracts, Retained Liabilities or Retained Employees pursuant to this Section 2.7.

2.8 Right to Add Assets and Liabilities |

At any time on or prior to the day that is one (1) day prior to the Closing Date, the Purchaser may, by giving notice to the Company and the Monitor, elect to: (a) exclude any assets or properties of any Purchased Entity from the Excluded Assets, and add such assets or properties to the Retained Assets; (b) exclude any contract from the Excluded Contracts, including any Leases that are amended to the satisfaction of the Purchaser, and add such contracts to the Retained Contracts; (c) exclude any liability from the Excluded Liabilities and add such liability to the Retained Liabilities. No changes to the Purchase Price shall result from the addition of any assets, properties, liabilities to the Retained Assets, Leases, Retained Contracts, Retained Liabilities or Retained Employees pursuant to this Section 2.8.

2.9 Transfer of Excluded Assets to Residual Co.

On the Closing Date, pursuant to the terms of the Approval and Reverse Vesting Order and in consideration for Residual Co. assuming the Excluded Liabilities pursuant to Section 2.6 of this Agreement, the Purchased Entities shall assign and transfer the Excluded Assets to Residual Co., and the Excluded Assets shall vest in Residual Co. pursuant to the Approval and Reverse Vesting Order.

2.10 Pre-Closing Reorganization

- (a) Subject to Section 2.10(b), the Company agrees that, no earlier than one (1) Business Day immediately prior to the Closing Date and upon request of the Purchaser, the Company shall, and shall cause any of the Applicants to perform such other reorganizations of its corporate structure, capital structure, business, operations and assets, settlements of Intercompany Liabilities, or such other transactions as Purchaser may request, acting reasonably (each such action, a "**Pre-Closing Reorganization**"). At least ten (10) Business Days prior to the Closing Date, the Company agrees to use commercially reasonable efforts to cooperate with the Purchaser and its advisors to determine the nature of any Pre-Closing Reorganizations that might be undertaken and the manner in which they would most effectively be undertaken, including filing or causing the Company to file available elections or designations reasonably required to effect the Pre-Closing Reorganizations if such filing is reasonably proposed to be made at or prior to Closing, and to cooperate with the Purchaser and its advisors to seek to obtain consents or waivers which might be required under any Retained Contracts or authorizations from Governmental Authorities in respect of any Pre-Closing Reorganization.
- (b) Notwithstanding the foregoing, the Company will not be obligated to participate in any Pre-Closing Reorganization if the Company determines acting reasonably that such Pre-Closing Reorganization would (i) materially impair, impede, delay or prevent the satisfaction of any conditions set forth in Article 7, or the ability of the Purchaser or Company to consummate, or materially delay the consummation of, the Transaction, or (ii) (A) materially alter or impact the consideration which the Applicants and/or their applicable stakeholders will benefit from as part of the Transactions, or (B) have adverse Tax consequences, or impose any Liability on, the remaining Applicants or any director of the Company in each case that is greater than the amount of such tax consequences or Liability in the absence of such action.
- (c) This Agreement (including the Closing Sequence) will be amended and restated as required to give effect to a Pre-Closing Reorganization.

ARTICLE 3

PURCHASE PRICE AND RELATED MATTERS

3.1 Purchase Price

The total aggregate consideration in respect of the Purchased Shares shall be an amount equal to approximately \$13,316,523.76 comprised of the following (the "**Purchase Price**"):

- (a) payment in cash of approximately \$4,917,497.04, comprised of:
- i. an amount equal to \$2,969,500 for the Equipment;
 - ii. an amount equal to \$30,000 for the Inventory,
 - iii. an amount equal to \$439,500 for Other Assets,
 - iv. an amount equal to 43% of the Accounts Receivables which as of the Business Day prior to the Closing Date constitutes \$●;
 - v. an amount equal to the Cure Costs,

- vi. an amount equal to the Priority Payment Amount, and Administrative Expense Amount (collectively, the “**Cash Consideration**”);
- (b) the outstanding obligations payable by the Applicants as of the Closing Date pursuant the DIP Term Sheet including the principal amount of such claims and interest accrued as of the Closing Date, plus all accrued and unpaid interest thereon through to and including the Closing Date, plus any unpaid fees and expenses associated therewith (the “**DIP Credit Bid Consideration**”);
- (c) the assumption of the Retained Liabilities, including:
 - i. the outstanding obligations under the DIP Term Sheet as of the Closing Time;
 - ii. the outstanding obligations in respect of the Non-TD Equipment Leases of the Company owing as of the Closing Time;
 - iii. the outstanding obligations in respect of the Retained Leases as of the Closing Time; and
 - iv. Employee Liabilities.

3.2 Deposit

- (a) The Purchaser has paid a deposit in the principal amount of \$250,000 representing the principal amount advanced by the DIP Lender to the Applicants pursuant to and in accordance with the DIP Term Sheet and shall constitute payment of a deposit in the approximate amount of 5% of the Cash Consideration (the “**Deposit**”). The Parties agree that the Monitor shall cause the Deposit to be placed in a non-interest-bearing account on completion of the Transaction, the Deposit shall be credited to the Purchaser on the Closing Date. The Parties acknowledge that the paid Deposit constitutes the DIP Credit Bid Consideration.
- (b) On Closing, the Parties acknowledge that the paid Deposit constitutes the DIP Credit Bid Consideration, and the Deposit shall be applied in accordance with Section 3.3 below.
- (c) If Closing does not occur on or before the Outside Date or this Agreement is terminated as a result of any breach of a representation, warranty, covenant or obligation of the Purchaser under this agreement, then:
 - i. the Deposit shall be forfeited by the Purchaser to the Monitor as a liquidated damages and not as a penalty, which Deposit the Parties agree is a genuine estimate of the liquidated damages that the Monitor would suffer in such circumstances (and, for greater certainty, and notwithstanding, any other provision in this Agreement, this shall be the Monitor’s sole right and remedy as a result of the Purchaser’s breach). The Monitor may, in its sole discretion, distribute the full amount of the Deposit to creditors of the Applicants pursuant to their respective priorities;
 - ii. any debt, obligations and liabilities of the Applicants under the DIP Facility and the DIP Term Sheet is hereby terminated and cancelled;

- iii. any repayment rights of the DIP Lender are hereby forfeited by the DIP Lender; and
- iv. the DIP Lender's Charge shall automatically be fully released and discharged at such time.

3.3 Satisfaction of Purchase Price

The Purchaser shall satisfy the Purchase Price by payment as follows:

- (a) The DIP Credit Bid Consideration shall be paid and satisfied on the Closing Date by the Purchaser releasing the Applicants from repayment of all amounts owing in connection with the DIP Credit Bid Consideration pursuant to the Credit Bid Release.
- (b) At the Closing Time, the Purchaser shall pay an amount equal to the Cash Consideration to the Monitor by wire transfer, to be held in escrow and paid in accordance with the Closing Sequence.
- (c) The value of the Retained Liabilities shall be retained by the applicable Purchased Entities on the Closing Date.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Each of the Companies represents and warrants to the Purchaser, as follows, and acknowledges that the Purchaser is relying upon the following representations and warranties in connection with its sale of the Purchased Shares:

4.1 Due Authorization and Enforceability of Obligations

Subject to the granting of the Approval and Reverse Vesting Order, this Agreement has been duly authorized, executed and delivered by it, and constitutes a legal, valid and binding obligation of it, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

4.2 Existence and Good Standing

Each of the Companies is validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization and (i) has all requisite power and authority to execute and deliver this Agreement and (ii) has taken all requisite corporate or other action necessary for it to execute and deliver this Agreement and to perform its obligations hereunder and consummate the Transaction contemplated hereunder.

4.3 Absence of Conflicts

The execution and delivery of this Agreement by the Company and the completion of its obligations hereunder and the consummation of the Transactions contemplated herein do not and will not violate or conflict with any Applicable Law, (subject to the receipt of any Transaction Regulatory Approvals and the granting of the Approval and Reverse Vesting Order) and will not result (with due notice or the passage of time or both) in a violation, conflict or breach of, or constitute a default under, or require any consent to be obtained under the certificate of incorporation, articles, by-laws or other constituent documents of any Applicant. Subject to the granting of the Approval and Reverse Vesting Order, the execution, delivery and performance by the Company does not and will not violate any Order.

4.4 Approvals and Consents

The execution and delivery of this Agreement by the Company, the completion by the Company of its respective obligations hereunder and the consummation by each of the Company of the Transactions contemplated herein, do not and will not require any consent or approval or other action, with or by, any Governmental Authority, other than as contemplated by the applicable Transaction Regulatory Approvals and the entry of the Approval and Reverse Vesting Order by the CCAA Court.

4.5 No Actions

There is not, as of the date hereof, pending or, to the Company's knowledge, threatened against any Applicant or any of its properties, nor has any Applicant received any written notice in respect of, any Claim, potential Claim, litigation, action, suit, arbitration, investigation or other proceeding before any Governmental Authority or legislative body, other than the CCAA Court, that, would prevent the Company from executing and delivering this Agreement, performing its obligations hereunder and consummating the Transactions and agreements contemplated by this Agreement.

4.6 Residence

None of the Purchased Entities are a non-resident of Canada within the meaning of the Tax Act.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to the Company as follows, and acknowledges that the Company is relying upon the following representations and warranties in connection with its purchase of the Purchased Shares:

5.1 Due Authorization and Enforceability of Obligations

This Agreement has been duly authorized, executed and delivered by the Purchaser, and, assuming the due authorization, execution and delivery by it, this Agreement constitutes a legal, valid and binding obligation of it, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other

similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

5.2 Existence and Good Standing

Purchaser is validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization and has all requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and consummate the Transactions contemplated by this Agreement.

5.3 Absence of Conflicts

The execution and delivery of this Agreement by the Purchaser and the completion by the Purchaser of its obligations hereunder and the consummation of the Transactions contemplated herein do not and will not violate or conflict with any Applicable Law, or any of its properties or assets, (subject to the receipt of any applicable Transaction Regulatory Approvals) and will not result (with due notice or the passage of time or both) in a violation, conflict or breach of, or constitute a default under, or require any consent to be obtained under its certificate of incorporation, articles, by-laws or other constituent documents.

5.4 Approvals and Consents

The execution and delivery of this Agreement by the Purchaser, the completion by the Purchaser of its obligations hereunder and the consummation by the Purchaser of the Transactions contemplated herein, do not and will not require any consent, approval or other action, with or by, any Governmental Authority, other than as contemplated by the applicable Transaction Regulatory Approvals and the granting of the Approval and Reverse Vesting Order by the CCAA Court.

5.5 No Actions

There is not, as of the date hereof, pending or, to the Purchaser's knowledge, threatened against it or any of its properties, nor has the Purchaser received notice in respect of, any Claim, potential Claim, litigation, action, suit, arbitration, investigation or other proceeding before any Governmental Authority or legislative body, other than the CCAA Court, that, would prevent it from executing and delivering this Agreement, performing its obligations hereunder and consummating the transactions and agreements contemplated by this Agreement.

5.6 Cash Consideration; Availability of Funds

The Purchaser will have on Closing, sufficient unrestricted funds and financial capacity to consummate the Transactions contemplated by this Agreement, including payment of the Cash Consideration.

5.7 Residence

The Purchaser is not a non-resident of Canada within the meaning of the Tax Act.

ARTICLE 6 AS IS, WHERE IS

The Purchaser acknowledges and agrees that it has conducted to its satisfaction an independent investigation and verification of the Business, the Purchased Shares, the Retained Assets, the Retained Employees, the Retained Liabilities and all related operations of the Purchased Entities, and, based solely thereon and the advice of its financial, legal and other advisors, has determined to proceed with the Transactions contemplated by this Agreement. The Purchaser has relied solely on the results of its own independent investigation and verification and, except for the representations and warranties of the Company expressly set forth in Article 4, the Purchaser understands, acknowledges and agrees that all other representations, warranties, conditions and statements of any kind or nature, expressed or implied (including any relating to the future or historical financial condition, results of operations, prospects, assets or liabilities of the Purchased Entities or the Business, or the quality, quantity or condition of the Purchased Shares) are specifically disclaimed by each of the Company, the other Applicants, the Monitor and their respective financial and legal advisors. THE PURCHASER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF THE COMPANY EXPRESSLY AND SPECIFICALLY SET FORTH IN ARTICLE 4: (A) THE PURCHASER IS ACQUIRING THE PURCHASED SHARES ON AN "AS IS, WHERE IS" BASIS; AND (B) NONE OF THE COMPANY, THE OTHER APPLICANTS, THE MONITOR OR ANY OTHER PERSON (INCLUDING ANY REPRESENTATIVE OF EITHER OF THE COMPANY, THE OTHER APPLICANTS OR THE MONITOR WHETHER IN ANY INDIVIDUAL, CORPORATE OR ANY OTHER CAPACITY) IS MAKING, AND THE PURCHASER IS NOT RELYING ON, ANY REPRESENTATIONS, WARRANTIES, CONDITIONS OR OTHER STATEMENTS OF ANY KIND WHATSOEVER, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AS TO ANY MATTER CONCERNING ANY OF THE PURCHASED ENTITIES, THE BUSINESS, THE PURCHASED SHARES, THE RETAINED ASSETS, THE RETAINED EMPLOYEES, THE RETAINED LIABILITIES, THE EXCLUDED ASSETS, THE EXCLUDED LIABILITIES, THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, OR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION PROVIDED TO (OR OTHERWISE ACQUIRED BY) THE PURCHASER OR ANY OF ITS RESPECTIVE REPRESENTATIVES, INCLUDING WITH RESPECT TO MERCHANTABILITY, PHYSICAL OR FINANCIAL CONDITION, DESCRIPTION, FITNESS FOR A PARTICULAR PURPOSE, OR IN RESPECT OF ANY OTHER MATTER OR THING WHATSOEVER, INCLUDING ANY AND ALL CONDITIONS, WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, PURSUANT TO ANY APPLICABLE LAWS IN ANY JURISDICTION, WHICH THE PURCHASER CONFIRMS DO NOT APPLY TO THIS AGREEMENT, AND ARE HEREBY WAIVED IN THEIR ENTIRETY BY THE PURCHASER.

ARTICLE 7 CONDITIONS

7.1 Conditions for the Benefit of the Purchaser and Company

The respective obligations of the Purchaser and the Company to consummate the Transactions contemplated by this Agreement are subject to the satisfaction of, or compliance with, at or prior to the Closing Time, each of the following conditions:

- (a) *No Law* – no provision of any Applicable Law and no Order preventing or otherwise frustrating the consummation of the purchase of the Purchased Shares or any of the other transactions pursuant to this Agreement shall be in effect;
- (b) *Final Orders* – each of the SISP Order and the Approval and Reverse Vesting Order shall have been issued and entered and shall be Final Orders;
- (c) *Successful Bid* – this Agreement will be the Successful Bid and the Purchaser shall be the Successful Bidder (as determined pursuant to the SISP);
- (d) *Transaction Regulatory Approvals* – the Parties shall have received the required Transaction Regulatory Approvals, and all such Transaction Regulatory Approvals shall be in full force and effect, except for Transaction Regulatory Approvals that need not be in full force and effect prior to Closing; and
- (e) *Pre-Closing Reorganization Steps* – subject to the delivery of the Monitor's Certificate, the Pre-Closing Reorganization Steps, if required by the Purchaser, shall have been effected prior to Closing in form and substance acceptable to the Parties.

The Parties acknowledge that the foregoing conditions are for the mutual benefit of each of the Company and the Purchaser. Any condition in this Section 7.1 may be jointly waived by the Company and by the Purchaser, in whole or in part, without prejudice to any of their respective rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver will be binding on the Company and the Purchaser, as applicable, only if made in writing.

7.2 Conditions for the Benefit of the Purchaser

The obligation of the Purchaser to consummate the Transactions contemplated by this Agreement is subject to the satisfaction of, or compliance with, or waiver by the Purchaser of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Purchaser):

- (a) *Performance of Covenants* – the covenants contained in this Agreement to be performed or complied with by the Company at or prior to the Closing Time shall have been performed or complied with in all material respects as at the Closing Time;
- (b) *Truth of Representations and Warranties* – (i) the representations and warranties of the Company contained in Article 4 shall be true and correct in all respects as of the Closing Date, as if made at, and as of, such date (except for representations and warranties made as of specified date, the accuracy of which shall be determined as of such specified date) except where the failure to be so true and correct would not, in the aggregate, have a Material Adverse Effect (and, for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representation and warranties shall be ignored);
- (c) *Officer's Certificates* – The Purchaser shall have received a certificate confirming the satisfaction of the conditions contained in Subsection 7.2(a) (Performance of

Covenants) the covenants contained in this Agreement to be performed or complied with by the Company at or prior to the Closing Time shall have been performed or complied with in all material respects as at the Closing Time and 7.2(b) (Truth of Representations and Warranties), signed for and on behalf of the Company by an executive officer of the Company or other Persons acceptable to the Purchaser, without personal liability, in each case in form and substance reasonably satisfactory to the Purchaser; and

- (d) *Company's Deliverables* – the Company shall have delivered to the Purchaser all of the deliverables contained in Section 11.3 in form and substance reasonably satisfactory to the Purchaser.

7.3 Conditions for the Benefit of the Company

The obligation of the Company to consummate the Transactions contemplated by this Agreement is subject to the satisfaction of, or compliance with, or waiver where applicable by the Company of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Company):

- (a) *Truth of Representations and Warranties* – the representations and warranties of the Purchaser contained in Article 5 will be true and correct in all respects on and as of the date of this Agreement and on and as of the Closing Date as if made on and as of such date (except for representations and warranties made as of specified date, the accuracy of which shall be determined as of such specified date) except where the failure to be so true and correct would not reasonably be expected to have a material and adverse effect on Purchaser's ability to consummate the Transactions contemplated by this Agreement;
- (b) *Performance of Covenants* – the covenants contained in this Agreement to be performed by the Purchaser at or prior to the Closing Time shall have been performed in all material respects as at the Closing Time;
- (c) *Officer's Certificate* – The Company shall have received a certificate confirming the satisfaction of the conditions contained in Section 7.3 signed for and on behalf of the Purchaser without personal liability by an executive officer of the Purchaser or other Persons acceptable to the Company, acting in a commercially reasonable manner, in each case, in form and substance satisfactory to the Company, acting in a commercially reasonable manner;
- (d) *Purchaser Deliverables* – Purchaser shall have delivered to the Company all of the deliverables contained in Section 11.4 in form and substance satisfactory to the Company, acting in a commercially reasonable manner; and
- (e) *Payment* – The Purchaser shall have paid in full, to the satisfaction of the Company and the Monitor, the Purchase Price.

ARTICLE 8 ADDITIONAL AGREEMENTS OF THE PARTIES

8.1 Break-Up Fee

- (a) Upon completion of a Successful Bid (as defined in the SISP) other than the Transaction, a fee in cash equal to, in the amount of \$65,000 (the “**Break-Up Fee**”) shall be payable concurrently with the consummation of such Successful Bid to the Purchaser by the Company.
- (b) For the avoidance of doubt, and notwithstanding anything to the contrary set forth in this Section 8.1, (x) under no circumstances shall the Company be obligated to pay the Break-Up Fee more than once, and (y) in no event shall the Company (or any other Person) be required to pay all or any portion of the Break-Up Fee to the Purchaser if the Company has terminated this Agreement other than in connection with CCAA Court approval of a Successful Bid (which is not the Transaction) in accordance with the terms of the SISP.
- (c) The Company acknowledges (i) that the Purchaser has made a substantial investment of management time and incurred substantial out-of-pocket expenses in connection with the negotiation and execution of this Agreement and its effort to consummate the Transactions contemplated hereby, and (ii) that the Parties’ efforts have substantially benefited the Company and the bankruptcy estates of the Purchased Entities through the submission of the offer that is reflected in this Agreement, that will serve as a minimum bid on which other potential interested bidders can rely, thus increasing the likelihood that the price at which the Purchased Entities are sold will be validated. The Parties hereby acknowledge that the amounts payable pursuant to this Section 8.1 are commercially reasonable and necessary to induce the Purchaser to enter into this Agreement and consummate the Transactions contemplated hereby. For the avoidance of doubt, the covenants set forth in this Section 8.1 are continuing obligations and survive termination of this Agreement.

8.2 Access to Information and Properties

- (a) Until the Closing Time, the Company, with oversight of the Monitor, shall give to the Purchaser’s personnel engaged in the Transactions contemplated by this Agreement and their accountants, legal advisers, consultants, financial advisors and representatives during normal business hours reasonable access to its premises and to all of the books, records, and other information relating to the Business, and shall furnish them with all such information relating to the Business, the Applicants, the Retained Liabilities and the list of Employees as Purchaser may reasonably request in connection with the Transactions contemplated by this Agreement, such requests to be made to the Monitor; provided that such access shall be conducted at Purchaser’s expense, in accordance with Applicable Law and under supervision of the Monitor or the Company’s senior management and in such a manner as to maintain confidentiality, and the Company will not be required to provide access to or copies of any such Books and Records if: (i) the provision thereof would cause applicable Company to be in contravention of any Applicable Law; (ii) breach the terms of the SISP Order; or (iii) making such information available would: (1) result in the loss of any lawyer-client or other legal privilege; or (2) cause applicable Company to be found in contravention of any Applicable Law, or contravene any fiduciary duty or agreement (including any confidentiality agreement to which the Company or any of its Affiliates are a party).

Notwithstanding anything in this Section 8.2 to the contrary, any such investigation shall be conducted upon reasonable advance notice and in such manner as does not materially disrupt the conduct of the Business or the possible sale thereof to any other Person.

- (b) Following the Closing, the Purchaser shall make all Books and Records of the Applicants as of the Closing reasonably available to the Monitor and any trustee in bankruptcy of any of the Applicants upon at least five (5) Business Days prior notice, for a period of seven (7) years after Closing, and shall, at such Party's expense, permit the Monitor and any trustee in bankruptcy of the Applicants to take copies thereof as they may determine to be necessary or useful to accomplish their respective roles; provided that Purchaser shall not be obligated to make such books and records available to the extent that doing so would: (i) violate Applicable Law; (ii) jeopardize the protection of a solicitor-client privilege; or (iii) unreasonably interfere with the ongoing business and operations of the Purchased Entities and their Affiliates, as determined by the Applicants, acting reasonably.
- (c) Following the Closing, the Applicants shall make all Books and Records comprising Excluded Assets reasonably available to the Monitor and any trustee in bankruptcy of any of the Applicants upon at least five (5) Business Days prior notice, for a period of seven (7) years after Closing, and shall, at such Party's expense, permit the Monitor and any trustee in bankruptcy of the Applicants to take copies thereof as they may determine to be necessary or useful to accomplish their respective roles; provided that such Applicant shall not be obligated to make such Books and Records available to the extent that doing so would: (i) violate Applicable Law; (ii) jeopardize the protection of a solicitor-client privilege; or (iii) unreasonably interfere with the ongoing business and operations of the Applicants and their Affiliates, as determined by the Applicants, acting reasonably.

8.3 Regulatory Approvals and Consents

- (a) The Parties shall use commercially reasonable efforts to apply for and obtain any Transaction Regulatory Approvals as soon as reasonably practicable and no later than the time limits imposed by Applicable Laws, in accordance with Section 8.3(a), in each case at the sole cost and expense of the Company.
- (b) Without limiting the generality of the foregoing, the Parties shall: (i) give each other reasonable advance notice of all meetings or other oral communications with any Governmental Authority relating to the Transaction Regulatory Approvals, as applicable, and provide as soon as practicable but in any case, if any, within the required time, any additional submissions, information and/or documents requested by any Governmental Authority necessary, proper or advisable to obtain the Transaction Regulatory Approvals; (ii) not participate independently in any such meeting or other oral communication without first giving the other Party (or their outside counsel) an opportunity to attend and participate in such meeting or other oral communication, unless otherwise required or requested by such Governmental Authority; (iii) if any Governmental Authority initiates an oral communication regarding the Transaction Regulatory Approvals, promptly notify the other Party of the substance of such communication; (iv) subject to Applicable Laws relating to the exchange of information, provide each other with a reasonable advance opportunity to review and comment upon and consider in good faith the

views of the other in connection with all written communications (including any filings, notifications, submissions, analyses, presentations, memoranda, briefs, arguments, opinions and proposals) made or submitted by or on behalf of a Party with a Governmental Authority regarding the Transaction Regulatory Approvals as applicable; and (v) promptly provide each other with copies of all written communications to or from any Governmental Authority relating to the Transaction Regulatory Approvals as applicable.

- (c) Each of the Parties may, as advisable and necessary, reasonably designate any competitively or commercially sensitive material provided to the other under this Section 8.3 as “Outside Counsel Only Material”, provided that the disclosing Party also provides a redacted version to the receiving Party. Such materials and the information contained therein shall be given only to the outside legal counsel of the recipient and, subject to any additional agreements between the Parties, will not be disclosed by such outside legal counsel to Employees, officers or directors of the recipient unless express written permission is obtained in advance from the source of the materials or its legal counsel.
- (d) The obligations of either Party to use its commercially reasonable efforts to obtain the Transaction Regulatory Approvals does not require either Party (or any Affiliate thereof) to undertake any divestiture of any business or business segment of such Party, to agree to any material operating restrictions related thereto or to incur any material expenditure(s) related therewith, unless agreed to by the Parties. In connection with obtaining the Transaction Regulatory Approvals, no Purchased Entity shall agree to any of the foregoing items without the prior written consent of the Purchaser.

8.4 Covenants Relating to this Agreement

- (a) Each of the Parties shall perform all obligations required to be performed by the applicable Party under this Agreement, co-operate with the other Parties in connection therewith and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the Transactions contemplated by this Agreement and, without limiting the generality of the foregoing, from the date hereof until the Closing Date, each Party shall and, where appropriate, shall cause each of its Affiliates to:
 - i. negotiate in good faith and use its 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 satisfy the conditions precedent to the obligations of such Party hereunder (including, where applicable, negotiating in good faith with the applicable Governmental Authorities and/or third Persons in connection therewith), and to cause the fulfillment at the earliest practicable date of all of the conditions precedent to the other Party’s obligations to consummate the Transactions contemplated hereby; and
 - ii. not take any action, or refrain from taking any action, or permit any action to be taken or not taken, which would reasonably be expected to prevent, materially delay or otherwise impede the

consummation of the Transactions contemplated by this Agreement.

- (b) From the date hereof until the Closing Date, Purchaser hereby agrees, and hereby agrees to cause its representatives to, keep the Company informed on a reasonably current basis, and no less frequently than on a weekly basis through teleconference or other meeting, and as reasonably requested by each of the Company or the Monitor, as to the Purchaser's progress in terms of the satisfaction of the conditions precedent contained herein.
- (c) From the date hereof until the Closing Date, the Company hereby agrees, and hereby agrees to cause its representatives to, keep Purchaser informed on a reasonably current basis, and no less frequently than on a weekly basis through teleconference or other meeting, and as reasonably requested by the Purchaser or the Monitor, as to the applicable Company's progress in terms of the satisfaction of the conditions precedent contained herein.
- (d) Each of the Company and the Purchaser agree to execute and deliver such other documents, certificates, agreements and other writings, reasonably necessary for the consummation of the Transactions contemplated by this Agreement, and to take such other actions to consummate or implement as soon as reasonably practicable, the Transactions contemplated by this Agreement.
- (e) From the date hereof until the Closing Date, the Company hereby agrees, and hereby agrees to cause their representatives to, promptly notify the Purchaser of (i) any event, condition, or development that has resulted in the inaccuracy in a material respect or material breach of any representation or warranty, covenant or agreement contained in this Agreement, or (ii) any event or matter involving a License which may be expected to result in the condition in Section 7.2 **Error! Reference source not found.** not being satisfied.
- (f) Each of the Company and the Purchaser agree to use commercially reasonable efforts to timely prepare and file all documentation and pursue all steps reasonably necessary to obtain any material third-party consents and approvals, including without limitation the Transaction Regulatory Approvals, as may be required in connection with the Transaction contemplated by this Agreement.
- (g) The Company agrees to use commercially reasonable efforts to promptly provide all documentation, copies of agreements and information reasonably required by the Purchaser to complete and finalize the Schedules to this Agreement. Such information and documentation shall be provided to the Purchaser on an ongoing basis following execution of this Agreement and in any event shall be provided to the Purchaser no later than ten (10) days prior to the hearing of the Applicants' motion to the CCAA Court seeking the Approval and Reverse Vesting Order.
- (h) If Purchaser is the Successful Bidder, at the request of the Purchaser, the Company shall proceed with the liquidation, winding-up, dissolution and/or amalgamation of any of the Purchased Entities designated by the Purchaser on or prior to the Closing Date.

8.5 Administrative Expense Amount

- (a) On the Closing Date, the Administrative Expense Amount shall be paid to the Monitor, which the Monitor shall hold for the benefit of Persons entitled to be paid the Administrative Expense Costs.
- (b) From time to time after the Closing Date, the Monitor may pay, on behalf of the Purchased Entities, the Administrative Expense Costs, from the Administrative Expense Amount, in each case to the Persons entitled to receive payment of these amounts, in its sole discretion and without further authorization from the Purchased Entities or Purchaser. Any unused portion of the Administrative Expense Amount after payment or reservation for all Administrative Expense Amount, as determined by the Monitor, in its sole discretion, shall be transferred by the Monitor to the Company, or as directed by it.
- (c) Notwithstanding the foregoing or anything else contained herein or elsewhere, each of the Company and the Purchaser acknowledges and agrees that: (i) the Monitor's obligations under this Agreement are and shall remain limited to those specifically set out in this Section 8.5; and (ii) Monitor is acting solely in its capacity as the Court-appointed Monitor of the Applicants pursuant to the Initial Order and not in its personal or corporate capacity, and the Monitor has no liability in connection with this Agreement whatsoever, in its personal or corporate capacity or otherwise, save and except for and only to the extent of the Monitor's gross negligence or wilful misconduct.
- (d) The Parties acknowledge that the Monitor may rely upon the provisions of this Section 8.5 notwithstanding that the Monitor is not a party to this Agreement.

The provisions of Sections 8.5(c) and (d) above shall survive the termination or non-completion of the Transactions contemplated by this Agreement.

ARTICLE 9 INSOLVENCY PROVISIONS

9.1 Court Orders and Related Matters

- (a) From and after the date of this Agreement and until the Closing Date, the Company shall deliver to the Purchaser drafts of any and all pleadings, motions, notices, statements, applications, schedules, and other papers to be filed or submitted by any of the Applicants in connection with or related to this Agreement, including with respect to the Approval and Reverse Vesting Order, for Purchaser's prior review at least two (2) days in advance of service and filing of such materials (or where circumstances make it impracticable to allow for two (2) days' review, with as much opportunity for review and comment as is practically possible in the circumstances). The Company acknowledge and agrees (i) that any such pleadings, motions, notices, statements, applications, schedules, or other papers shall be in form and substance satisfactory to the Purchaser, acting reasonably, and (ii) to consult and cooperate with Purchaser regarding any discovery, examinations and hearing in respect of any of the foregoing, including the

submission of any evidence, including witnesses testimony, in connection with such hearing.

- (b) Notice of the motions seeking the issuance of the Approval and Reverse Vesting Order shall be served or be caused to be served by the Applicants on all Persons required to receive notice under Applicable Law and the requirements of the CCAA, the CCAA Court, and any other Person determined necessary by the Applicants or Purchaser, acting reasonably.
- (c) As soon as practicable if Purchaser is selected or deemed to be the Successful Bidder in accordance with the SISP, the Applicants shall file a motion seeking the issuance of the Approval and Reverse Vesting Order.
- (d) If the Approval and Reverse Vesting Order relating to this Agreement is appealed or a motion for leave to appeal, rehearing, re-argument or reconsideration is filed with respect thereto, each of the Applicants agree (subject to the available liquidity of each of the Applicants) to take all action as may be commercially reasonable and appropriate to defend against such appeal, petition or motion.
- (e) The Company acknowledges and agrees, that the Approval and Reverse Vesting Order shall provide that, on the Closing Date and concurrently with the Closing, the Purchased Shares shall be transferred to the Purchaser free and clear of all Encumbrances, other than Permitted Encumbrances.

ARTICLE 10 TERMINATION

10.1 Termination

This Agreement may be terminated at any time prior to Closing as follows:

- (a) by mutual written consent of each of the Company and the Purchaser;
- (b) by the Purchaser or the Company, if (i) this Agreement is not the Successful Bid (as determined pursuant to the SISP) and the transaction contemplated by the Successful Bid is closed;
- (c) by the Purchaser or the Company, if Closing has not occurred on or before May 31, 2025 or such later date agreed to by each of the Company and the Purchaser in writing in consultation with the Monitor (the "**Outside Date**"), provided that the terminating Party is not in breach of any representation, warranty, covenant or other agreement in this Agreement which would prevent the satisfaction of the conditions in Article 7 by the Outside Date;
- (d) by the Purchaser or the Company, if at any time after the date hereof any of the conditions in Article 7 is not capable of being satisfied by the applicable dates of this Agreement or if not otherwise required, by the Outside Date, provided that the terminating Party is not in breach of any representation, warranty, covenant or other agreement in this Agreement which would prevent the satisfaction of the conditions in Article 7 by the Outside Date;

- (e) by the Purchaser, upon the appointment of a receiver, trustee in bankruptcy or similar official in respect of any Applicant or any of the property of any Applicant, other than with the prior written consent of the Purchaser;
- (f) by the Purchaser or the Company, upon the termination, dismissal or conversion of the CCAA Proceedings;
- (g) by the Purchaser or the Company, upon dismissal of the motion for the Approval and Reverse Vesting Order (or if any such order is stayed, vacated or varied without the consent of the Purchaser);
- (h) by the Purchaser or the Company, if a court of competent jurisdiction, including the CCAA Court or other Governmental Authority has issued an Order or taken any other action to restrain, enjoin or otherwise prohibit the consummation of Closing and such Order or action has become a Final Order;
- (i) by the Company, if there has been a material violation or breach by the Purchaser of any covenant, representation or warranty which would prevent the satisfaction of the conditions set forth in Section 7.1 or Section 7.3, as applicable, by the Outside Date, and such violation or breach has not been waived by the Company, or cured by the Purchaser within ten (10) Business Days after written notice thereof from the Company, unless the Company is in material breach of its obligations under this Agreement which would prevent the satisfaction of the conditions set forth in Section 7.1 or Section 7.2, as applicable, by the Outside Date; and
- (j) by the Purchaser, if there has been a material violation or breach by the Company of any covenant, representation or warranty which would prevent the satisfaction of the conditions set forth in Section 7.1 or Section 7.2, as applicable, by the Outside Date, and such violation or breach has not been waived by the Purchaser, or cured by the Company within ten (10) Business Days after written notice thereof from the Purchaser, unless the Purchaser is in material breach of its obligations under this Agreement which would prevent the satisfaction of the conditions set forth in Section 7.1 or Section 7.3, as applicable, by the Outside Date.

The Party desiring to terminate this Agreement pursuant to this Section 10.1 (other than pursuant to Section 10.1) shall give written notice of such termination to the other Party or Parties, as applicable, specifying in reasonable detail the basis for such Party's exercise of its termination rights.

10.2 Effect of Termination

In the event of termination of this Agreement pursuant to Section 10.1, this Agreement shall become void and of no further force or effect without liability of any Party to any other Party to this Agreement except that: (i) Section 8.1, (b) and (c), this Section 10.2, Section 12.1, 12.2, 12.5, 12.6 and 12.7 shall survive; and (ii) no termination of this Agreement shall relieve any Party of any liability for any wilful breach by it of this Agreement, or impair the right of any Party to compel specific performance by any other Party of its obligations under this Agreement in accordance with Section 12.3.

ARTICLE 11 CLOSING

11.1 Location and Time of the Closing

The Closing shall take place virtually by exchange of documents in PDF format on the Closing Date, in accordance with the Closing Sequence (as defined below), and shall be subject to such escrow document release arrangements as the Parties may agree.

11.2 Closing Sequence

On the Closing Date, subject to the terms of the Approval and Reverse Vesting Order, Closing shall take place in the sequence set out in the Closing Sequence. The Purchaser may, as a result of any Pre-Closing Reorganization or otherwise with the prior consent of the Company and the Monitor, acting reasonably, amend the Closing Sequence provided that such amendment to the Closing Sequence does not materially alter or impact the Transactions or the consideration which the Company and/or its applicable stakeholders will benefit from as part of the Transactions.

11.3 Company's Deliveries at Closing

At Closing, the Company, as applicable, shall deliver to the Purchaser the following:

- (a) a true copy of each of the Approval and Reverse Vesting Order and the SISP Order, each of which shall be final;
- (b) a direction of payment to the Monitor for the Cash Consideration;
- (c) the certificates contemplated by Section 7.2(c);
- (d) confirmation of the due incorporation and organization of Residual Co. on the terms set forth herein;
- (e) evidence of completion of any Pre-Closing Reorganization and evidence of the filing of the Articles of Reorganization, if required by the Purchaser; and
- (f) all other documents as reasonably requested by the Purchaser in good faith.

11.4 Purchaser's Deliveries at Closing

At Closing, the Purchaser shall deliver to the Company:

- (a) the Cash Consideration;
- (b) the Credit Bid Release;
- (c) the certificate contemplated by Section 7.3(c); and
- (d) all other documents required to effect to the Transaction contemplated by this Agreement, as reasonably requested by the Company in good faith.

11.5 Monitor

When all conditions to Closing set out in Article 7 have been satisfied and/or waived by the Company or the Purchaser, as applicable, the Company and the Purchaser, or their respective counsel, shall each deliver to the Monitor written confirmation, in form and substance satisfactory to the Monitor, that all conditions to Closing have been satisfied or waived, subject to the Monitor's delivery of the Monitor's Certificate to the Purchaser in accordance with the Approval and Reverse Vesting Order. Upon receipt of such written confirmation, the Monitor shall: (i) issue forthwith its Monitor's Certificate in accordance with the Approval and Reverse Vesting Order; and (ii) file as soon as practicable a copy of the Monitor's Certificate with the CCAA Court (and shall provide a true copy of such filed certificate to each of the Company and the Purchaser). The Parties hereby acknowledge and agree that the Monitor will be entitled to file the Monitor's Certificate with the CCAA Court without independent investigation upon receiving written confirmation from the Company and the Purchaser that all conditions to Closing have been satisfied or waived, and the Monitor will have no liability whatsoever to any of the Company or Purchaser or any other Person as a result of filing the Monitor's Certificate.

11.6 Simultaneous Transactions

All actions taken and Transactions consummated at the Closing shall be deemed to have occurred in the manner and sequence set forth in the Closing Sequence and the Approval and Reverse Vesting Order (subject to the terms of any escrow agreement or arrangement among the Parties relating to the Closing), and no such transaction shall be considered consummated unless all are consummated.

11.7 Further Assurances

As reasonably required by a Party in order to effectuate the Transactions contemplated by this Agreement, Purchaser and each of the Applicants shall execute and deliver at (and after) the Closing such other documents, and shall take such other actions, as are necessary or appropriate, to implement and make effective the Transactions contemplated by this Agreement.

ARTICLE 12 GENERAL MATTERS

12.1 Confidentiality

After the Closing Time, the remaining Applicants shall maintain the confidentiality of all confidential information relating to the Business and the Purchased Entities, except any disclosure of such information and records as may be required by Applicable Law. If any remaining Applicant, or any of their respective representatives, becomes legally compelled by deposition, interrogatory, request for documents, subpoena, civil investigative demand, or similar judicial or administrative process, to disclose any such information, such party shall, or shall cause its representative to, provide the Purchaser with reasonably prompt prior oral or written notice of such requirement (including any report, statement, testimony or other submission to such Governmental Authority) to the extent legally permissible and reasonably practicable, and cooperate with Purchaser, at Purchaser's expense, to obtain a protective order or similar remedy to cause such information not to be disclosed; provided that in the event that such protective order or other similar remedy is not obtained, the applicable Applicant shall, or shall cause its representative to, furnish only that portion of such information that has been legally compelled, and shall, or shall cause such representative to, exercise its commercially reasonable efforts to obtain assurance that

confidential treatment will be accorded to such disclosed information. The remaining Applicants shall instruct their representatives having access to such information of such obligation of confidentiality and shall be responsible for any breach of the terms of this Section 12.1 by any of their representatives.

12.2 Public Notices

No press release or other announcement concerning the Transactions contemplated by this Agreement shall be made by any of the Applicants or Purchaser without the prior consent of the other Party (such consent not to be unreasonably withheld, conditioned or delayed); provided, however, that subject to the last sentence of this Section 12.2, any Party may, without such consent, make such disclosure if the same is required by Applicable Law (including the CCAA Proceedings), and, if such disclosure is required, the Party making such disclosure shall use commercially reasonable efforts to give prior oral or written notice to the other Party to the extent legally permissible and reasonably practicable, and if such prior notice is not legally permissible or reasonably practicable, to give such notice reasonably promptly following the making of such disclosure. Notwithstanding the foregoing: (i) this Agreement may be filed by either Party, as applicable with the CCAA Court; and (ii) the Transactions contemplated in this Agreement may be disclosed by the Company to the CCAA Court. The Parties further agree that:

- (a) the Monitor may prepare and file reports and other documents with the CCAA Court containing references to the Transactions contemplated by this Agreement and the terms of such Transactions; and
- (b) the Applicants, the Purchaser and their respective professional advisors may prepare and file such motions, affidavits, materials, reports and other documents with the CCAA Court containing references to the Transactions contemplated by this Agreement and the terms of such transactions as may reasonably be necessary to complete the Transactions contemplated by this Agreement or to comply with their obligations in connection therewith.

Purchaser shall be afforded an opportunity to review and comment on such materials prior to their filing; provided in the case of reports or other documents prepared or to be filed by the Monitor with the CCAA Court the Purchaser shall be entitled to review only factual information contained therein relating to the terms of the Transactions contemplated in this Agreement. The Parties may issue a joint press release announcing the execution and delivery of this Agreement, in form and substance mutually agreed to them.

12.3 Injunctive Relief

- (a) The Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to seek specific performance, injunctive and other equitable relief to prevent breaches or threatened breaches of this Agreement, and to enforce compliance with the terms of this Agreement, without any requirement for the securing or posting of any bond in connection with the obtaining of any such specific performance, injunctive or other equitable relief, this being in addition to any other remedy to which the Parties may be entitled at law or in equity.

- (b) Each Party hereby agrees not to raise any objections to the availability of the equitable remedies provided for herein and the Parties further agree that by seeking the remedies provided for in this Section 12.3, a Party shall not in any respect waive its right to seek any other form of relief that may be available to a Party under this Agreement.
- (c) Notwithstanding anything herein to the contrary herein, under no circumstances shall a Party be permitted or entitled to receive both monetary damages and specific performance and election to pursue one shall be deemed to be an irrevocable waiver of the other.

12.4 Survival

None of the representations, warranties, covenants (except the covenants in 2.1, 3.1, Article 12 and Sections 8.2(a) and 8.4, to the extent they are to be performed after the Closing) of any of the Parties set forth in this Agreement, in any Closing Document to be executed and delivered by any of the Parties (except any covenants included in such Closing Documents, which, by their terms, survive Closing) or in any other agreement, document or certificate delivered pursuant to or in connection with this Agreement or the Transactions contemplated hereby shall survive the Closing.

12.5 Non-Recourse

No past, present or future director, officer, Employee, incorporator, member, partner, security holder, Affiliate (provided that for purposes of this Section 12.5 Purchaser and Company shall not be considered Affiliates of each other), agent, lawyer or representative of the respective Parties, in such capacity, shall have any liability for any obligations or liabilities of the Purchaser or the Company, as applicable, under this Agreement, or for any causes of action based on, in respect of or by reason of the Transactions contemplated hereby.

12.6 Assignment; Binding Effect

No Party may assign its right or benefits under this Agreement without the consent of each of the other Parties, except that without such consent Purchaser may, upon prior notice to the Company, assign this Agreement, or any or all of its rights and obligations hereunder, to one or more of its Affiliates; provided that no such assignment or direction shall relieve Purchaser of its obligations hereunder. This Agreement shall be binding upon and enure to the benefit of the Parties and their respective permitted successors and permitted assigns. Although not Parties to this Agreement, the Monitor and its respective Affiliates and advisors shall have the benefits expressed to be conferred upon them in this Agreement, including in Section 12.4 (in respect of the Monitor) hereof. Subject to the preceding sentence, nothing in this Agreement shall create or be deemed to create any third Person beneficiary rights in any Person not a Party to this Agreement.

12.7 Notices

Any notice, request, demand or other communication required or permitted to be given to a Party pursuant to the provisions of this Agreement will be in writing and will be effective and deemed given under this Agreement on the earliest of: (i) the date of personal delivery; (ii) the date of transmission by email, with confirmed transmission and receipt (if sent during normal business hours of the recipient, if not, then on the next Business Day); (iii) two (2) days after deposit with a nationally-recognized courier or overnight service such as Federal Express; or (iv) five (5) days

after mailing via certified mail, return receipt requested. All notices not delivered personally or by email will be sent with postage and other charges prepaid and properly addressed to the Party to be notified at the address set forth for such Party:

If to the Purchaser at:

JBT Transport Inc.
235 Waydom Drive
Ayr, ON N0B 1E0

Attention: Randy Bowman / Kyle Medeiros
Email: randy.b@jbtgroup.com; kyle.m@jbtgroup.com

If to the Company at:

JBT Transport Inc.
235 Waydom Drive
Ayr, ON N0B 1E0

Attention: Denis Medeiros
Email: denis.m@jbtgroup.com

and to:

Reconstruct LLP
80 Richmond Street West, Suite 1700
Toronto, ON M5H 2A4

Attention: Caitlin Fell / Brendan Bissell / Jessica Wuthmann
Email: cfell@reconllp.com / bbisell@reconllp.com / jwuthmann@reconllp.com

If to the Monitor at:

Dodick & Associates
951 Wilson Ave, Suite 15L
Toronto ON M3K 2A7
Canada

Attention: Rahn Dodick
Email: rahn.dodick@dodick.ca

and to:

Loopstra Nixon LLP
130 Adelaide Street West
Suite 2800
Toronto, ON M5H 2K4

Attention: Graham Phoenix

Email: gphoenix@LN.Law

Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such Party at its changed address.

12.8 Counterparts; Electronic Signatures

This Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument. Execution and delivery of this Agreement may be made by electronic signature which, for all purposes, shall be deemed to be an original signature.

[Signature pages to follow]

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

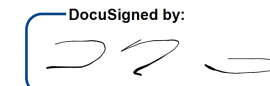
COMPANY:

JBT TRANSPORT INC.

DocuSigned by:

 Per: _____
 Name: Denis Medeiros
 Title: President

HERITAGE TRUCK LINES INC.


DocuSigned by:

 Per: _____
 Name: Denis Medeiros
 Title: President

HERITAGE WAREHOUSING & DISTRIBUTION INC.

DocuSigned by:

 Per: _____
 Name: Denis Medeiros
 Title: Director

MELAIR MANAGEMENT INC.

DocuSigned by:

 Per: _____
 Name: Denis Medeiros
 Title: President

DRUMBO TRANSPORT LIMITED

DocuSigned by:

 Per: _____
 Name: Denis Medeiros
 Title: President

WAYDOM MANAGEMENT INC.

DocuSigned by:

Per: _____
Name: Denis Medeiros
Title: Director

PURCHASER:

RANDY BOWMAN, DENIS MEDEIROS AND KYLE MEDEIROS, IN TRUST FOR A COMPANY TO BE INCORPORATED

Signed by:

Per: _____
Name: Randy Bowman

SCHEDULE (ss)

ENCUMBRANCES TO BE DISCHARGED

1. The CCAA Charges.

SCHEDULE (ffff)
PERMITTED ENCUMBRANCES

1. To be updated.

SCHEDULE (tttt)
RETAINED CONTRACTS

1. To be updated.

SCHEDULE 2.2
EXCLUDED ASSETS

1. The Cash Consideration.
2. The Tax records and returns, and books and records pertaining thereto and other documents, in each case, that primarily or solely relate to any of the Excluded Liabilities or Excluded Assets, provided that the Purchased Entity may retain original copies of any such records if required by Applicable Law and provided further that the applicable Purchased Entity may take copies of all Tax records and books and records pertaining to such records to the extent necessary or useful for the carrying on of the Business after Closing, including the filing of any Tax Return.
3. The Excluded Contracts.
4. The Real Property.
5. HNL or any assets owned by it.
6. All communications, information or records, written or oral, that are in any way related to (i) the Transactions contemplated by this Agreement, (ii) the sale of the Purchased Shares, (iii) any Excluded Asset or (iv) any Excluded Liability.
7. Any rights which accrue to Residual Co. under the transaction documents.
8. Any assets which are added as Excluded Assets pursuant to Section 2.7.

SCHEDULE 2.4
RETAINED LIABILITIES

1. Employee Liabilities.
2. The Cure Costs and liabilities of the Purchased Entities under the Retained Contracts from and after the Closing Time.
3. The Cure Costs and liabilities arising from or in connection with the performance of the Retained Leases, from and after the Closing Time.
4. The Post-Filing Claims that remain outstanding as at the Closing Time;
5. The Intercompany Liabilities payables (and all Claims, Encumbrances relating thereto).
6. Tax liabilities of the Purchased Entities for any period, or the portion thereof, beginning on or after the Closing Date.
7. Broker Payable.
8. Carrier Trust Fund.
9. HNL Loan.
10. The outstanding obligations under the DIP Term Sheet as of the Closing Time.
11. The outstanding obligations in respect of the Retained Contracts owing as of the Closing Time.
12. Those specific Retained Liabilities set forth in Schedule 2.4.
13. Those liabilities that are added as Retained Liabilities pursuant to Section 2.8.

SCHEDULE 11.2
CLOSING SEQUENCE

- (a) First, the Purchaser shall pay the Purchase Price to the Monitor, to be held in escrow by the Monitor on behalf of the Purchaser;
- (b) Second, the Company shall be deemed to transfer to Residual Co. the Excluded Assets, the Excluded Contracts, the Excluded Liabilities and the Excluded Leases, pursuant to the Approval and Reverse Vesting Order;
- (c) Third, the Retained Assets will be retained by the applicable Purchased Entities, in each case free and clear of and from any and all Claims and, for greater certainty, all of the Encumbrances, other than Permitted Encumbrances, affecting or relating to the Retained Assets are hereby expunged and discharged as against the Retained Assets, and the Retained Liabilities will be retained by the applicable Purchased Entities;
- (d) Fourth, Equity Interests of the Applicants (other than the Existing Shares which will be cancelled in accordance with the Articles of Reorganization or otherwise retained as a Retained Asset) as well as any agreement, Contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing and/or having been created or granted in connection with the share capital of the Applicants shall be deemed terminated and cancelled for no consideration;
- (e) Fifth, the following shall occur concurrently:
 - i. all Prior Equity Interests shall be deemed terminated and cancelled without consideration;
 - ii. the Company shall issue the Purchased Shares to the Purchaser;
 - iii. the Cash Consideration will be released from escrow and made payable to TD Bank;
 - iv. the Credit Bid Release will be released from escrow;
 - v. the Monitor shall retain the Administrative Expense Amount in a separate interest-bearing account from the Purchase Price; and
 - vi. the Monitor shall release the remaining amount of the Purchase Price to the Company and the Company shall pay the Cure Costs and the Priority Payment Amounts to the applicable payees thereof; and
- (f) Sixth, the Articles of Reorganization will be filed and be effective.

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF JBT TRANSPORT INC. ET AL.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at TORONTO

**SUPPLEMENTARY AFFIDAVIT OF DENIS
MEDEIROS**

(sworn February 24, 2025)

RECONSTRUCT LLP

80 Richmond Street West, Suite 1700
Toronto, ON M5H 2A4

Caitlin Fell LSO No. 60091H
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Tel: 416.613.8282

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bbissell@reconllp.com
Tel: 416.613.0066

Jessica Wuthmann LSO No. 72442W
jwuthmann@reconllp.com
Tel: 416.613.8288

Lawyers for the Applicants

TAB 3

Court File No. CV-25-00736572-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)	THURSDAY, THE 27TH
)	
JUSTICE KIMMEL)	DAY OF FEBRUARY, 2025

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF JBT TRANSPORT INC., WAYDOM
MANAGEMENT INC., MELAIR MANAGEMENT INC., HERITAGE
TRUCK LINES INC., DRUMBO TRANSPORT LIMITED,
HERITAGE NORTHERN LOGISTICS INC., AND HERITAGE
WAREHOUSING & DISTRIBUTION INC. (collectively,
the "**Applicants**")

Applicants

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by the Applicants to continue the proceedings commenced by the Applicants by the filing of notices of intention to make a proposal under Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**") bearing estate file numbers 35-3178683, 35-3178693, 35-3178758, 35-3178767, 35-3178803, 35-3178893 and 35-3178904 (the "**NOI Proceedings**") under the *Companies Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**") was heard on this day at 330 University Avenue, Toronto, Ontario by video conference.

ON READING the affidavit of Denis Medeiros, sworn February 6, 2025 and the Exhibits

thereto (the “**Medeiros Affidavit**”), the reply affidavit of Denis Mederios sworn February 8, 2025, the supplemental affidavit of Denis Mederios sworn February 24, 2025, the Pre-Filing Report of Dodick Landau Inc. (in its capacity as proposal trustee of the Applicants in the NOI Proceedings (the “**Proposal Trustee**”) and as Monitor in these CCAA proceedings), the First Report of the Monitor, and the application materials of The Toronto-Dominion Bank (“**TD Bank**”), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, the Monitor, TD Bank, and such other counsel as were present as listed on the counsel slip, no one else appearing although duly served as appears from the certificate of service of ● sworn February ●, 2025, and on reading the consent of Dodick Landau Inc. to act as the Monitor,

SERVICE

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

CONTINUANCE UNDER THE CCAA

2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies, and the Applicants shall enjoy the benefits of the protection and authorizations provided to the Applicants by this Order.

3. **THIS COURT ORDERS AND DECLARES** that effective February 10, 2025 (the “**Filing Date**”), the NOI Proceedings are hereby taken up and continued under the CCAA and that, as of such date, the provisions of the BIA shall have no further application to the Applicants, save that any and all steps, agreements and procedures validly taken, done or entered into by the Applicants shall remain valid and binding, notwithstanding the commencement of these CCAA proceedings; and, without limiting the foregoing, any notice of disclaimer or resiliation issued pursuant to s. 65.11 of the

BIA shall be deemed to have been issued on the same date under s. 32 of the CCAA and shall continue in full force and effect under the provisions of the CCAA.

4. **THIS COURT ORDERS** that the Monitor shall have the benefit of all rights and protections granted to the Proposal Trustee under the BIA.

POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

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

any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

8. **THIS COURT ORDERS that**, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

9. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) income taxes, and (iv) all other amounts related to such deductions or employee wages payable for periods following the Initial Filing Date pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

10. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, in accordance with the terms of the applicable lease agreement.

11. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$50,000 in any one transaction or \$250,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
- (c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

13. **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes

the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicants disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

14. **THIS COURT ORDERS** that if a notice of disclaimer is delivered or deemed to have been delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

15. **THIS COURT ORDERS** that until and including May 16, 2025, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

16. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

17. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

18. **THIS COURT ORDERS** that, subject to paragraph 40 herein, during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all Carriers (as defined herein), computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile

numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

PAYMENT OF PRE-FILING AMOUNTS

19. **THIS COURT ORDERS** that the Applicants shall be entitled to pay, with the written approval of the Monitor, the amounts owing to the suppliers, for critical goods or services actually supplied to the Applicants prior to the Filing Date if, in the opinion of the Applicants, such payment is necessary to maintain the uninterrupted operations of the business.

NON-DEROGATION OF RIGHTS

20. **THIS COURT ORDERS** that, subject to paragraphs 38 to 40, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

NO PRE-FILING VS POST-FILING SET OFF

21. **THIS COURT ORDERS** that no Person shall be entitled to set off any amounts that: (i) are or may become due to the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due from the Applicant in respect of obligations arising on or after the date of this Order; or (ii) are or may become due from the Applicant in respect of obligations arising prior to the date hereof with any amounts that are or may become due to the Applicant in

respect of obligations arising on or after the date of this Order, each without the consent of the Applicant and the Monitor or further Order of this Court.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

22. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

APPOINTMENT OF MONITOR

23. **THIS COURT ORDERS** that Dodick Landau Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;

- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicant, to the extent required by the Applicant, in its dissemination, to the DIP Lender and its counsel on a regular basis of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis;
- (e) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

- (i) perform such other duties as are required by this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

26. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

27. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants are

confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

28. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a bi-weekly basis or at such other interval as deemed appropriate.

30. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, if any, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$250,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 41 and 43 hereof.

DIP FINANCING

32. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from Randy Bowman (the "**DIP Lender**") in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$250,000 unless permitted by further Order of this Court.

33. **THIS COURT ORDERS** that, subject to paragraph 32, such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicants and the DIP Lender dated as of February 5, 2025 (the "**Commitment Letter**"), filed.

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

35. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 41 and 43 hereof.

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

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon seven days notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

37. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the Definitive Documents.

CRITICAL SUPPLIERS CHARGE AND DEALINGS WITH CUSTOMERS OF THE APPLICANTS

38. **THIS COURT ORDERS** that all transportation carriers and owner operators that are engaged by the Applicants to provide carrier services during the Stay Period or are in the process of providing services, including those Carriers listed on **Schedule “A”** hereto (each, a “**Carrier**”, and collectively, the “**Carriers**”), be and are hereby stayed from contacting customers of the Applicants in respect to the business of the Applicants, including but not limited to, requiring customers to make payments to the Carriers, soliciting business from such customer, from taking any enforcement action with respect to the Carrier Trust Funds (as defined herein) or from holding and refusing to deliver the Applicants load freight product on account of any outstanding indebtedness owing by the Applicants to Carriers prior to the Filing Date.

39. **THIS COURT ORDERS** that all receivables received by the Applicants on or after the Filing Date shall be treated in accordance with the provisions of the *Highway Traffic Act*, RSO 1990, c. H. 8 (the “**HTA**”), including section 190.0.1(3) therein. Specifically, the Monitor shall confirm that funds impressed with a trust pursuant to section 191.0.1(3) of the *HTA* (“**Carrier Trust Funds**”) shall be held in a segregated account and will be paid to the Carriers pursuant to and in accordance with the *HTA*.

40. **THIS COURT ORDERS** that, in order to secure any Carrier’s right to payment for the supply of services rendered to the Applicants in respect of shipments in connection with which such Carrier was engaged by the Applicants for the carriage of goods on or subsequent to the Filing Date, each Carrier be and is hereby granted a charge on the applicable receivable associated with such shipment received by the Applicants or any of them, from and after the Filing Date (each a “**Receivable**”), and the charge on the applicable Receivable shall be in the amount owing to the Carrier (all such charges, collectively the “**Critical Suppliers Charge**”).

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

41. **THIS COURT ORDERS** that the priorities of the Administration Charge, the DIP Lender's Charge, and the Critical Suppliers Charge (the "**Charges**"), as among them, shall be as follows:

First – Critical Suppliers Charge (solely in respect the applicable Receivable);

Second – Administration Charge (to the maximum amount of \$250,000); and

Third – DIP Lender's Charge.

42. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

43. **THIS COURT ORDERS** that subject to the terms herein, each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, except that: (i) the DIP Lender's Charge shall be subordinate to the charge of TD Bank over the real property located at 425 Melair Drive, Ayr, Ontario and (ii) the Critical Suppliers Charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise solely in respect of the applicable Receivable.

44. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lender, TD Bank and the beneficiaries of the Administration Charge, or further Order of this Court.

45. **THIS COURT ORDERS** that the Charges, the Commitment Letter, and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the Commitment Letter or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

46. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

SERVICE AND NOTICE

47. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, and (B) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

48. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: https://dodick.ca/public_documents/jbt-transport-inc-drumbo-transport-ltd-heritage-warehousing-distribution-inc-heritage-truck-lines-inc-heritage-northern-logistics-inc-melair-management-inc-and-waydom-management-inc-col/.

49. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile

transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

50. **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the "**Service List**"). The Monitor shall post the Service List, as may be updated from time to time, on the case website as part of the public materials in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

51. **THIS COURT ORDERS** that the Applicants and the Monitor and their respective counsel are at liberty to serve or distribute this Order, and other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

52. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

53. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

54. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

55. **THIS COURT ORDERS** that each of the Applicants and the Monitor 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, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

56. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

57. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

SCHEDULE 'A'

Carrier List
401 Transport Connections
Alpha Trans LTD
Arrive Logistics
Arsh Gill Trucking
ASL Global Logistics
Autobahn Freight
B2B Freightway
Baba Maur Transport
Best Care Transport
Canadian Line Haul
Caneda Transport
Canex Freight
Can-Truck 2009 Inc.
Caramex Logistics
D4 Logistics Inc.
DC Courier
DMK Express
E.G. Gray
First Base Freight
Friends Enterprises
Haul Expedite Inc.
Hemo Logistics
Highlight Motor Freight
I.S. Trucking Limited
Kartz Transport Inc.
Khehra Trucklines
Kooner Transport Group
Nationwide Logistics
North Plus Inc.
Ollie Transport Inc.
ON Target Courier & Cargo LTD
ONE Call Express
Pace Marathon
Paul's Freight Lines
Peace Trucking Inc.
Polaris Transport Carriers Inc
Prime Line Logistics Inc.
Rajpura Transport
Rana Logistics Inc.
Road Train Express Inc

Shaan Truckline
Simconnect Freight MGMT
Sky High Express
SSP Truckline Inc.
Sterling Freight Systems
T.E.A.M.S Transport
Team Logistics Inc.
Top Star Logistics Inc.
Transway Transport Inc.
Tricorp Transportation
Tung Air Transport LTD
Turbo Trailer Transport LTD.
Velocity Transport
Wolf Pack Logistics
Just on Time Freight Systems
BDR International
Patco Transportation Inc.
Crossroads Express
I-Net Express
Rydex Freight Systems
Drive Force LTD.
SMS Logistics Inc.
Keena Truck Leasing & Trans LTD.
VTL Express Inc.
Longview Truckline LTD.

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
JBT TRANSPORT INC. ET AL.

<p>ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</p> <p><i>Proceedings commenced at TORONTO</i></p>	
<p>AMENDED AND RESTATED INITIAL ORDER</p>	
	<p>RECONSTRUCT LLP 80 Richmond Street West, Suite 1700 Toronto, ON M5H 2A4</p> <p>Caitlin Fell LSO No. 60091H cfell@reconllp.com Tel: 416.613.8282</p> <p>Brendan Bissell LSO No. 40354V bbissell@reconllp.com Tel: 416.613.0066</p> <p>Jessica Wuthmann LSO No. 72442W jwuthmann@reconllp.com Tel: 416.613.8288</p> <p>Fax: 416.613.8290</p> <p>Lawyers for the Applicants</p>

TAB 4

Court File No. CV-25-00736572-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) ~~MONDAY~~THURSDAY, THE ~~10TH~~27TH
)
JUSTICE KIMMEL) DAY OF FEBRUARY, 2025

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF JBT TRANSPORT INC., WAYDOM
MANAGEMENT INC., MELAIR MANAGEMENT INC., HERITAGE
TRUCK LINES INC., DRUMBO TRANSPORT LIMITED,
HERITAGE NORTHERN LOGISTICS INC., AND HERITAGE
WAREHOUSING & DISTRIBUTION INC. (collectively,
the "Applicants")

Applicants

AMENDED AND RESTATED INITIAL ORDER
(CONTINUATION UNDER THE CCAA)

THIS APPLICATION, made by the Applicants to continue the proceedings commenced by the Applicants by the filing of notices of intention to make a proposal under Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**") bearing estate file numbers 35-3178683, 35-3178693, 35-3178758, 35-3178767, 35-3178803, 35-3178893 and 35-3178904 (the "**NOI Proceedings**") under the *Companies Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**") was heard on this day at 330 University Avenue, Toronto, Ontario by video conference.

ON READING the affidavit of Denis Medeiros, sworn February 6, 2025 and the Exhibits thereto (the “**Medeiros Affidavit**”), the ~~First~~reply affidavit of Denis Medeiros sworn February 8, 2025, the supplemental affidavit of Denis Medeiros sworn February 24, 2025, the Pre-Filing Report of Dodick Landau Inc. (in its capacity as proposal trustee of the Applicants in the NOI Proceedings (the “**Proposal Trustee**”) and as ~~proposed~~ Monitor in these CCAA proceedings), the First Report of the Monitor, and the application materials of The Toronto-Dominion Bank (“**TD Bank**”), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, the ~~Proposal Trustee~~Monitor, TD Bank, and such other counsel as were present as listed on the counsel slip, no one else appearing although duly served as appears from the certificate of service of ~~Jasmine Landau affirmed~~ sworn February ~~7~~7, 2025, and on reading the consent of Dodick Landau Inc. to act as the Monitor,

SERVICE

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

CONTINUANCE UNDER THE CCAA

2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies, and the Applicants shall enjoy the benefits of the protection and authorizations provided to the Applicants by this Order.

3. **THIS COURT ORDERS AND DECLARES** that effective February 10, 2025 (the “**Filing Date**”), the NOI Proceedings are hereby taken up and continued under the CCAA and that, as of such date, the provisions of the BIA shall have no further application to the Applicants, save that any and all steps, agreements and procedures validly taken, done or entered into by the

Applicants shall remain valid and binding, notwithstanding the commencement of these CCAA proceedings; and, without limiting the foregoing, any notice of disclaimer or resiliation issued pursuant to s. 65.11 of the BIA shall be deemed to have been issued on the same date under s. 32 of the CCAA and shall continue in full force and effect under the provisions of the CCAA.

4. **THIS COURT ORDERS** that the Monitor shall have the benefit of all rights and protections granted to the Proposal Trustee under the BIA.

POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Medeiros Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any

liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

8. **THIS COURT ORDERS that**, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

9. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, ~~and (iv) income taxes;~~(iii) income taxes, and (iv) all other amounts related to such deductions or employee wages payable for periods following the Initial Filing Date pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

10. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, in accordance with the terms of the applicable lease agreement.

11. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

(a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$50,000 in any one transaction or \$250,000 in the aggregate;

(b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and

- (c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing.

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

13. ~~12.~~ **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicants disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

14. ~~13.~~ **THIS COURT ORDERS** that if a notice of disclaimer is delivered or deemed to have been delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises,

provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

15. ~~14.~~ **THIS COURT ORDERS** that until and including ~~February 28~~May 16, 2025, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

16. ~~15.~~ **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

17. ~~16.~~ **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right,

contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

18. ~~17.~~ **THIS COURT ORDERS** that, subject to paragraph ~~33~~40 herein, during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all Carriers (as defined herein), computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

PAYMENT OF PRE-FILING AMOUNTS

19. ~~18.~~ **THIS COURT ORDERS** that the Applicants shall be entitled to pay, with the written approval of the Monitor, the amounts owing to the suppliers, for critical goods or services actually supplied to the Applicants prior to the Filing Date if, in the opinion of the Applicants, such payment is necessary to maintain the uninterrupted operations of the business.

NON-DEROGATION OF RIGHTS

20. ~~19.~~ **THIS COURT ORDERS** that, subject to paragraphs ~~31~~38 to ~~33~~40, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

NO PRE-FILING VS POST-FILING SET OFF

21. ~~20.~~ **THIS COURT ORDERS** that no Person shall be entitled to set off any amounts that: (i) are or may become due to the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due from the Applicant in respect of obligations arising on or after the date of this Order; or (ii) are or may become due from the Applicant in respect of obligations arising prior to the date hereof with any amounts that are or may become due to the Applicant in respect of obligations arising on or after the date of this Order, each without the consent of the Applicant and the Monitor or further Order of this Court.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

22. ~~21.~~ **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or

arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

APPOINTMENT OF MONITOR

23. ~~22.~~ **THIS COURT ORDERS** that Dodick Landau Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. ~~23.~~ **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicant, to the extent required by the Applicant, in its dissemination, to the DIP Lender and its counsel on a regular basis of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;

- (d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis;
- (e) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) ~~(e)~~ have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (h) ~~(e)~~ be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) ~~(e)~~ perform such other duties as are required by this Order or by this Court from time to time.

25. ~~24.~~ **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

26. ~~25.~~ **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively,

"**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

27. ~~26.~~ **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants are confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

28. ~~27.~~ **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

29. ~~28.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a bi-weekly basis or at such other interval as deemed appropriate.

30. ~~29.~~ **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

31. ~~30.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, if any, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$~~150,000~~250,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, ~~since January 24, 2025~~both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~34~~41 and ~~36~~43 hereof.

DIP FINANCING

32. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from Randy Bowman (the "**DIP Lender**") in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$250,000 unless permitted by further Order of this Court.

33. **THIS COURT ORDERS** that, subject to paragraph 32, such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicants and the DIP Lender dated as of February 5, 2025 (the "**Commitment Letter**"), filed.

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

35. THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 41 and 43 hereof.

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

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon seven days notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the Commitment Letter, the Definitive Documents or the

DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

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

37. THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the Definitive Documents.

CRITICAL SUPPLIERS CHARGE AND DEALINGS WITH CUSTOMERS OF THE APPLICANTS

38. ~~31.~~ **THIS COURT ORDERS** that all transportation carriers and owner operators that are engaged by the Applicants to provide carrier services during the Stay Period or are in the process of providing services, including those Carriers listed on **Schedule "A"** hereto (each, a "**Carrier**", and collectively, the "**Carriers**"), be and are hereby stayed from contacting customers of the Applicants in respect to the business of the Applicants, including but not limited to, requiring customers to make payments to the Carriers, soliciting business from such customer, from taking any enforcement action with respect to the Carrier Trust Funds (as defined herein) or from holding and refusing to deliver the Applicants load freight product ~~hostage~~ on account of any outstanding indebtedness owing by the Applicants to Carriers prior to the Filing Date.

39. ~~32.~~ **THIS COURT ORDERS** that all receivables received by the Applicants on or after the Filing Date shall be treated in accordance with the provisions of the *Highway Traffic Act*, RSO 1990, c. H. 8 (the "**HTA**"), including section 190.0.1(3) therein. Specifically, the Monitor shall

confirm that funds impressed with a trust pursuant to section 191.0.1(3) of the *HTA* (“**Carrier Trust Funds**”) shall be held in a segregated account and will be paid to the Carriers pursuant to and in accordance with the *HTA*.

40. ~~33.~~ **THIS COURT ORDERS** that, in order to secure any Carrier’s right to payment for the supply of services rendered to the Applicants in respect of shipments in connection with which such Carrier was engaged by the Applicants for the carriage of goods on or subsequent to the Filing Date, each Carrier be and is hereby granted a charge on the applicable receivable associated with such shipment received by the Applicants or any of them, from and after the Filing Date (each a “**Receivable**”), and the charge on the applicable Receivable shall be in the amount owing to the Carrier (all such charges, collectively the “**Critical Suppliers Charge**”).

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

41. ~~34.~~ **THIS COURT ORDERS** that the priorities of the Administration Charge, the DIP Lender’s Charge, and the Critical Suppliers Charge (the “**Charges**”), as among them, shall be as follows:

First – Critical Suppliers Charge (solely in respect the applicable Receivable); ~~and~~

Second – Administration Charge (to the maximum amount of \$~~150,000~~250,000);
and

Third – DIP Lender’s Charge.

42. ~~35.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

43. ~~36.~~ **THIS COURT ORDERS** that subject to the terms herein, each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, except that: (i) the DIP Lender's Charge shall be subordinate to the charge of TD Bank over the real property located at 425 Melair Drive, Ayr, Ontario and (ii) the Critical Suppliers Charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise solely in respect of the applicable Receivable.

44. ~~37.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lender, TD Bank and the beneficiaries of the Administration Charge, or further Order of this Court.

45. ~~38.~~ **THIS COURT ORDERS** that the Charges, the Commitment Letter, and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other

agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges ~~shall not~~ nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the Commitment Letter or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

46. ~~39.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

SERVICE AND NOTICE

47. ~~40.~~ **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, and (B) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the

prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

48. ~~41.~~ **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: https://dodick.ca/public_documents/jbt-transport-inc-drumbo-transport-ltd-heritage-warehousing-distribution-inc-heritage-truck-lines-inc-heritage-northern-logistics-inc-melair-management-inc-and-waydom-management-inc-col/.

49. ~~42.~~ **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

50. ~~43.~~ **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the “**Service**

List”). The Monitor shall post the Service List, as may be updated from time to time, on the case website as part of the public materials in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

51. ~~44.~~ **THIS COURT ORDERS** that the Applicants and the Monitor and their respective counsel are at liberty to serve or distribute this Order, and other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants’ creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

COMEBACK MOTION

~~45. THIS COURT ORDERS that the comeback motion shall be heard by a judge of the Ontario Superior Court of Justice (Commercial List) as a hearing de novo on February 27, 2025 at 11:00 a.m.~~

GENERAL

52. ~~46.~~ **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

53. ~~47.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

54. ~~48.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give

effect to this Order and to assist the Applicants, the Monitor 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

55. ~~49.~~ **THIS COURT ORDERS** that each of the Applicants and the Monitor 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, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

56. ~~50.~~ **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

57. ~~51.~~ **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

TAB 5

Court File No. — CV-25-00736572-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE —) ~~WEEKDAY~~ THURSDAY, THE # 27TH
)
JUSTICE — KIMMEL) DAY OF ~~MONTH~~ FEBRUARY, ~~20YR~~ 2025

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF ~~[APPLICANT'S NAME]~~ (the
"~~Applicant~~") JBT TRANSPORT INC., WAYDOM MANAGEMENT
INC., MELAIR MANAGEMENT INC., HERITAGE TRUCK LINES
INC., DRUMBO TRANSPORT LIMITED, HERITAGE NORTHERN
LOGISTICS INC., AND HERITAGE WAREHOUSING &
DISTRIBUTION INC. (collectively, the "Applicants")

Applicants

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by the ~~Applicant, pursuant to~~ Applicants to continue the
proceedings commenced by the Applicants by the filing of notices of intention to make a proposal
under Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "BIA")
bearing estate file numbers 35-3178683, 35-3178693, 35-3178758, 35-3178767, 35-3178803,
35-3178893 and 35-3178904 (the "NOI Proceedings") under the ~~Companies' Creditors~~
~~Arrangement Act~~, ~~R.S.C.~~ RSC 1985, c. — C-36, as amended (the "CCAA") was heard on this day

at 330 University Avenue, Toronto, Ontario by video conference.

ON READING the affidavit of ~~[NAME]~~Denis Medeiros, sworn ~~[DATE]~~February 6, 2025 and the Exhibits thereto (the “Medeiros Affidavit”), the reply affidavit of Denis Medeiros sworn February 8, 2025, the supplemental affidavit of Denis Medeiros sworn February 24, 2025, the Pre-Filing Report of Dodick Landau Inc. (in its capacity as proposal trustee of the Applicants in the NOI Proceedings (the “Proposal Trustee”) and as Monitor in these CCAA proceedings), the First Report of the Monitor, and the application materials of The Toronto-Dominion Bank (“**TD Bank**”), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for ~~[NAMES], no one appearing for [NAME]~~¹the Applicants, the Monitor, TD Bank, and such other counsel as were present as listed on the counsel slip, no one else appearing although duly served as appears from the ~~affidavit~~certificate of service of ~~[NAME]~~² sworn ~~[DATE]~~February ●, 2025, and on reading the consent of ~~[MONITOR’S NAME]~~Dodick Landau Inc. to act as the Monitor,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated² so that this ~~Application~~application is properly returnable today and hereby dispenses with further service thereof.

¹~~Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).~~

²~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

~~APPLICATION~~

CONTINUANCE UNDER THE CCAA

2. **THIS COURT ORDERS AND DECLARES** that the ~~Applicant is a company~~Applicants are companies to which the CCAA applies, and the Applicants shall enjoy the benefits of the protection and authorizations provided to the Applicants by this Order.

~~PLAN OF ARRANGEMENT~~

3. **THIS COURT ORDERS** ~~that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").~~**AND DECLARES** that effective February 10, 2025 (the "Filing Date"), the NOI Proceedings are hereby taken up and continued under the CCAA and that, as of such date, the provisions of the BIA shall have no further application to the Applicants, save that any and all steps, agreements and procedures validly taken, done or entered into by the Applicants shall remain valid and binding, notwithstanding the commencement of these CCAA proceedings; and, without limiting the foregoing, any notice of disclaimer or resiliation issued pursuant to s. 65.11 of the BIA shall be deemed to have been issued on the same date under s. 32 of the CCAA and shall continue in full force and effect under the provisions of the CCAA.

4. **THIS COURT ORDERS** that the Monitor shall have the benefit of all rights and protections granted to the Proposal Trustee under the BIA.

POSSESSION OF PROPERTY AND OPERATIONS

5. ~~4.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the ~~Applicant~~Applicants shall continue to carry on business in a

manner consistent with the preservation of its business (the "**Business**") and Property. The ~~Applicant is~~Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. ~~5.~~ **[THIS COURT ORDERS** that the ~~Applicant~~Applicants shall be entitled to continue to utilize the central cash management system³ currently in place as described in the Medeiros Affidavit of [NAME] sworn [DATE] or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the ~~Applicant~~Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the ~~Applicant~~Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.]

~~³This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross border and inter company transfers of cash.~~

7. ~~6.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the ~~Applicant~~Applicants in respect of these proceedings, at their standard rates and charges.

8. ~~7.~~ **THIS COURT ORDERS that**, except as otherwise provided to the contrary herein, the ~~Applicant~~Applicants shall be entitled but not required to pay all reasonable expenses incurred by the ~~Applicant~~Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the ~~Applicant~~Applicants following the date of this Order.

9. ~~8.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) ~~Quebec Pension Plan,~~ and (iv) income taxes; income taxes, and (iv) all other amounts related to such deductions or employee wages payable for periods following the Initial Filing Date pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the ~~Applicant~~Applicants in connection with the sale of goods and services by the ~~Applicant~~Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the ~~Applicant~~Applicants.

10. ~~9.~~ **THIS COURT ORDERS** that until a real property lease is disclaimed ~~{or resiliated}~~⁴ in accordance with the CCAA, the ~~Applicant~~Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the ~~Applicant~~Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, ~~twice monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears).—On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.~~in accordance with the terms of the applicable lease agreement.

11. ~~10.~~ **THIS COURT ORDERS** that, except as specifically permitted herein, the ~~Applicant~~Applicants ~~is~~are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the ~~Applicant~~Applicants to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. ~~11.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

⁴~~The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.~~

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, ~~f~~and to dispose of redundant or non-material assets not exceeding \$~~•~~50,000 in any one transaction or \$~~•~~250,000 in the aggregate~~f~~⁵;
- (b) ~~f~~terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate~~f~~; and
- (c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the ~~Applicant~~Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

13. ~~12.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall provide each of the relevant landlords with notice of the ~~Applicant's~~Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the ~~Applicant's~~Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the ~~Applicant~~Applicants, or by further Order of this Court upon application by the ~~Applicant~~Applicants on at least two (2) days' notice to such landlord and any such secured creditors. If the ~~Applicant~~Applicants disclaims ~~for resiliates~~ the lease governing such leased premises in accordance with Section 32 of the

⁵~~Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.~~

CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer ~~{or-resiliation}~~ of the lease shall be without prejudice to the ~~Applicant's~~Applicants' claim to the fixtures in dispute.

14. ~~13.~~ **THIS COURT ORDERS** that if a notice of disclaimer ~~{or-resiliation}~~ is delivered or deemed to have been delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer ~~{or-resiliation}~~, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the ~~Applicant~~Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer ~~{or-resiliation}~~, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the ~~Applicant~~Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE ~~APPLICANT~~APPLICANTS OR THE PROPERTY

15. ~~14.~~ **THIS COURT ORDERS** that until and including ~~[DATE—MAX. 30 DAYS]~~May 16, 2025, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the ~~Applicant~~Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the ~~Applicant~~Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the ~~Applicant~~Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

16. ~~15.~~ **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the ~~Applicant~~Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the ~~Applicant~~Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the ~~Applicant~~Applicants to carry on any business which the ~~Applicant is~~Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

17. ~~16.~~ **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the ~~Applicant~~Applicants, except with the written consent of the ~~Applicant~~Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

18. ~~17.~~ **THIS COURT ORDERS** that, subject to paragraph 40 herein, during the Stay Period, all Persons having oral or written agreements with the ~~Applicant~~Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all Carriers (as defined herein), computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the ~~Applicant~~Applicants, are hereby restrained until further Order of this Court from

discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the ~~Applicant~~Applicants, and that the ~~Applicant~~Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the ~~Applicant~~Applicants in accordance with normal payment practices of the ~~Applicant~~Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the ~~Applicant~~Applicants and the Monitor, or as may be ordered by this Court.

PAYMENT OF PRE-FILING AMOUNTS

19. THIS COURT ORDERS that the Applicants shall be entitled to pay, with the written approval of the Monitor, the amounts owing to the suppliers, for critical goods or services actually supplied to the Applicants prior to the Filing Date if, in the opinion of the Applicants, such payment is necessary to maintain the uninterrupted operations of the business.

NON-DEROGATION OF RIGHTS

20. ~~18.~~ **THIS COURT ORDERS** that, subject to paragraphs 38 to 40, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the ~~Applicant~~Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.⁶

~~⁶This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example,~~

NO PRE-FILING VS POST-FILING SET OFF

21. **THIS COURT ORDERS** that no Person shall be entitled to set off any amounts that: (i) are or may become due to the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due from the Applicant in respect of obligations arising on or after the date of this Order; or (ii) are or may become due from the Applicant in respect of obligations arising prior to the date hereof with any amounts that are or may become due to the Applicant in respect of obligations arising on or after the date of this Order, each without the consent of the Applicant and the Monitor or further Order of this Court.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

22. ~~19.~~ **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the ~~Applicant~~Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the ~~Applicant~~Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the ~~Applicant~~Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the ~~Applicant~~Applicants or this Court.

~~DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE~~

~~20. THIS COURT ORDERS that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the~~

~~number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).~~

~~commencement of the within proceedings,⁷ except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.~~

~~21. THIS COURT ORDERS that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge")⁸ on the Property, which charge shall not exceed an aggregate amount of \$●, as security for the indemnity provided in paragraph [20] of this Order. The Directors' Charge shall have the priority set out in paragraphs [38] and [40] herein.~~

~~22. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph [20] of this Order.~~

APPOINTMENT OF MONITOR

23. **THIS COURT ORDERS** that ~~[MONITOR'S NAME]~~Dodick Landau Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the ~~Applicant~~Applicants with the powers and obligations set out in the CCAA or set forth herein and that the ~~Applicant~~Applicants and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the ~~Applicant~~Applicants

~~⁷The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.~~

~~⁸Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.~~

pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the ~~Applicant's~~Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicant, to the extent required by the Applicant, in its dissemination, to the DIP Lender and its counsel on a ~~[TIME INTERVAL]~~regular basis of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the ~~Applicant in its~~Applicants in their preparation of the ~~Applicant's~~Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, ~~but not less than [TIME INTERVAL], or as otherwise agreed to by the DIP Lender;~~
- (e) advise the ~~Applicant in its~~Applicants in their development of the Plan and any amendments to the Plan;

- (f) assist the ~~Applicant~~Applicants, to the extent required by the ~~Applicant~~Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the ~~Applicant~~Applicants, to the extent that is necessary to adequately assess the ~~Applicant's~~Applicants' business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

26. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste

or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

27. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the ~~Applicant~~Applicants and the DIP Lender with information provided by the ~~Applicant~~Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the ~~Applicant is~~Applicants are confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the ~~Applicant~~Applicants may agree.

28. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the ~~Applicant~~Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the ~~Applicant~~Applicants as part of the costs of these proceedings.

The ~~Applicant is~~Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the ~~Applicant on a [TIME INTERVAL] basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, retainers in the amount[s] of \$● [, respectively,] to be held by them as security for payment of their respective fees and disbursements outstanding from time to time~~Applicants on a bi-weekly basis or at such other interval as deemed appropriate.

30. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, if any, and the ~~Applicant's~~Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$●250,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~{38}~~41 and ~~{40}~~43 hereof.

DIP FINANCING

32. **THIS COURT ORDERS** that the ~~Applicant is~~Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from ~~{DIP LENDER'S NAME}~~Randy Bowman (the "**DIP Lender**") in order to finance the ~~Applicant's~~Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$●250,000 unless permitted by further Order of this Court.

33. **THIS COURT ORDERS** ~~THAT~~ that, subject to paragraph 32, such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the ~~Applicant~~ Applicants and the DIP Lender dated as of ~~[DATE]~~ February 5, 2025 (the "**Commitment Letter**"), filed.

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

35. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs ~~{38}~~ 41 and ~~{40}~~ 43 hereof.

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

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon ● seven days notice to the

~~Applicant~~Applicants and the Monitor, may exercise any and all of its rights and remedies against the ~~Applicant~~Applicants or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the ~~Applicant~~Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the ~~Applicant~~Applicants against the obligations of the ~~Applicant~~Applicants to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the ~~Applicant~~Applicants and for the appointment of a trustee in bankruptcy of the ~~Applicant~~Applicants; and

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

37. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the ~~Applicant~~Applicants under the CCAA, or any proposal filed by the ~~Applicant~~Applicants under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the Definitive Documents.

CRITICAL SUPPLIERS CHARGE AND DEALINGS WITH CUSTOMERS OF THE APPLICANTS

38. **THIS COURT ORDERS** that all transportation carriers and owner operators that are engaged by the Applicants to provide carrier services during the Stay Period or are in the process of providing services, including those Carriers listed on Schedule "A" hereto (each, a "Carrier", and collectively, the "Carriers"), be and are hereby stayed from contacting customers of the

Applicants in respect to the business of the Applicants, including but not limited to, requiring customers to make payments to the Carriers, soliciting business from such customer, from taking any enforcement action with respect to the Carrier Trust Funds (as defined herein) or from holding and refusing to deliver the Applicants load freight product on account of any outstanding indebtedness owing by the Applicants to Carriers prior to the Filing Date.

39. **THIS COURT ORDERS** that all receivables received by the Applicants on or after the Filing Date shall be treated in accordance with the provisions of the *Highway Traffic Act*, RSO 1990, c. H. 8 (the "**HTA**"), including section 190.0.1(3) therein. Specifically, the Monitor shall confirm that funds impressed with a trust pursuant to section 191.0.1(3) of the *HTA* ("**Carrier Trust Funds**") shall be held in a segregated account and will be paid to the Carriers pursuant to and in accordance with the *HTA*.

40. **THIS COURT ORDERS** that, in order to secure any Carrier's right to payment for the supply of services rendered to the Applicants in respect of shipments in connection with which such Carrier was engaged by the Applicants for the carriage of goods on or subsequent to the Filing Date, each Carrier be and is hereby granted a charge on the applicable receivable associated with such shipment received by the Applicants or any of them, from and after the Filing Date (each a "**Receivable**"), and the charge on the applicable Receivable shall be in the amount owing to the Carrier (all such charges, collectively the "**Critical Suppliers Charge**").

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

41. ~~38.~~ **THIS COURT ORDERS** that the priorities of the ~~Directors' Charge, the~~ Administration Charge ~~and~~, the DIP Lender's Charge, and the Critical Suppliers Charge (the "**Charges**"), as among them, shall be as follows⁹:

⁹~~The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the~~

First – Critical Suppliers Charge (solely in respect the applicable Receivable);

~~First~~Second – Administration Charge (to the maximum amount of \$●250,000); and

~~Second~~Third – DIP Lender's Charge; and.

~~Third – Directors' Charge (to the maximum amount of \$●).~~

42. ~~39.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "Charges")~~ shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

43. ~~40.~~ **THIS COURT ORDERS** that ~~each of the Directors' Charge, the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein)~~ shall subject to the terms herein, each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, except that: (i) the DIP Lender's Charge shall be subordinate to the charge of TD Bank over the real property located at 425 Melair Drive, Ayr, Ontario and (ii) the Critical Suppliers Charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise solely in respect of the applicable Receivable.

~~be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.~~

44. ~~41.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the ~~Applicant~~Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge~~Charges, unless the ~~Applicant~~Applicants also ~~obtains~~obtain the prior written consent of the Monitor, the DIP Lender, TD Bank and the beneficiaries of the ~~Directors' Charge and the Administration Charge~~, or further Order of this Court.

45. ~~42.~~ **THIS COURT ORDERS** that the ~~Directors' Charge, the Administration Charge~~Charges, the Commitment Letter, and the Definitive Documents ~~and the DIP Lender's Charge~~ shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the ~~Applicant~~Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall create or be deemed to constitute a breach by the ~~Applicant~~Applicants of any Agreement to which it is a party;

- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the ~~Applicant~~Applicants entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the ~~Applicant~~Applicants pursuant to this Order, the Commitment Letter or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

46. ~~43.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the ~~Applicant's~~Applicants' interest in such real property leases.

SERVICE AND NOTICE

47. ~~44.~~ **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in ~~[newspapers specified by the Court]~~the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, and ~~(B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1000, and~~ ~~(C)~~ prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

48. ~~45.~~ **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ~~“@”~~: https://dodick.ca/public_documents/jbt-transport-inc-drumbo-transport-ltd-heritage-warehousing-distribution-inc-heritage-truck-lines-inc-heritage-northern-logistics-inc-melair-management-inc-and-waydom-management-inc-col/.

49. ~~46.~~ **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the ~~Applicant~~Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the ~~Applicant's~~Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the ~~Applicant~~Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

50. **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the “Service List”). The Monitor shall post the Service List, as may be updated from time to time, on the case website as

part of the public materials in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

51. **THIS COURT ORDERS** that the Applicants and the Monitor and their respective counsel are at liberty to serve or distribute this Order, and other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

52. ~~47.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

53. ~~48.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the ~~Applicant~~Applicants, the Business or the Property.

54. ~~49.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the ~~Applicant~~Applicants, the Monitor 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

~~Applicant~~Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the ~~Applicant~~Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

55. ~~50.~~ **THIS COURT ORDERS** that each of the ~~Applicant~~Applicants and the Monitor 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, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

56. ~~51.~~ **THIS COURT ORDERS** that any interested party (including the ~~Applicant~~Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

57. ~~52.~~ **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



SCHEDULE 'A'

TAB 6

Court File No. CV-25-00736572-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)	THURSDAY, THE 27 TH
)	DAY OF FEBRUARY, 2025
JUSTICE KIMMEL)	

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF JBT TRANSPORT INC., WAYDOM
MANAGEMENT INC., MELAIR MANAGEMENT INC., HERITAGE
TRUCK LINES INC., DRUMBO TRANSPORT LIMITED,
HERITAGE NORTHERN LOGISTICS INC., AND HERITAGE
WAREHOUSING & DISTRIBUTION INC. (collectively,
the "**Applicants**")

SALE PROCESS APPROVAL ORDER

THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order approving, among other things: (1) the procedures for the Sale and Investment Solicitation Process in respect of the Applicants attached hereto as Schedule "A" (the "**SISP**"); and (2) approving the Stalking Horse Agreement (as defined below), was heard this day by judicial videoconference.

ON READING the affidavit of Denis Medeiros sworn February 24, 2025 (the "**Medeiros Affidavit**") and the Exhibits thereto, and the first report of Dodick Landau Inc., in its capacity as monitor of the Applicants (in such capacity, the "**Monitor**"), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel to the Toronto Dominion Bank, the Applicants' senior secured lender, and such other counsel as were present, no one appearing for any other person although duly served as appears from the affidavit of service of ● sworn February ●, 2025, as filed,

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record 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 in this Order and not otherwise defined herein shall have the meanings ascribed to them in the SISP or the Amended and Restated Initial Order granted by Justice Kimmel dated February 27, 2025 (the “**ARIO**”).

APPROVAL OF THE SALE AND INVESTMENT SOLICITATION PROCESS

3. **THIS COURT ORDERS** that the SISP (subject to such amendments as may be agreed to by the Monitor and the Applicants in accordance with the terms of the SISP) be and is hereby approved and the Applicants and the Monitor are hereby authorized to implement the SISP pursuant to the terms thereof.
4. **THIS COURT ORDERS** that the Monitor and Applicants are authorized and directed to take any and all actions as may be necessary or desirable to implement and carry out the SISP in accordance with its terms and this Order.
5. **THIS COURT ORDERS** that each of the Monitor, the Applicants and their respective affiliates, partners, employees, directors, representatives, and agents shall have no liability with respect to any and all losses, claims, damages or liability, of any nature or kind, to any person in connection with or as a result of performing their duties under the SISP, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Monitor or the Applicants, as applicable, in performing their obligations under the SISP, as determined by this Court.
6. **THIS COURT ORDERS** that in implementing the SISP, the Monitor shall have all of the benefits and protections granted to it under the CCAA, the ARIO, and any other order of the Court in the within proceedings.
7. **THIS COURT ORDERS** that, pursuant to section 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS), the Monitor, the Applicants and their respective counsel are hereby authorized and permitted to send, or cause or permit to be sent, commercial electronic messages to an electronic address of prospective bidders or offerors (each a “**SISP Participant**”) and to their advisors, or any interested party that the Monitor or the

Applicants consider appropriate, but only to the extent required to provide information with respect to the SISP in these proceedings.

8. **THIS COURT ORDERS** that notwithstanding anything contained herein or in the SISP, the Monitor shall not take possession of the Property or be deemed to take possession of the Property.

APPROVAL OF THE STALKING HORSE AGREEMENT

9. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to enter into the stalking horse agreement between JBT Transport Inc., Heritage Truck Lines Inc., Heritage Warehouse Distribution Inc., and Melair Management Inc., and Randy Bowman, Denis Medeiros and Kyle Medeiros, in trust for a company to be incorporated (in such capacity, the “**Stalking Horse Bidder**”) and attached as Exhibit “B” to the Medeiros Affidavit (the “**Stalking Horse Agreement**”), with such minor amendments as may be acceptable to each of the parties thereto, with the prior approval of the Monitor; provided that, nothing herein approves the sale and vesting of any Property to the Stalking Horse Bidder (or any of its designees) pursuant to the Stalking Horse Agreement and that the approval of any sale and vesting of any such Property shall be considered by this Court on a subsequent motion made to this Court if the Stalking Horse Agreement is the Successful Bid pursuant to the SISP.

10. **THIS COURT ORDERS** that the Break Fee, as defined in the Stalking Horse Agreement, is hereby approved and, in the event the Stalking Horse Bidder is not the Successful Bidder under the SISP, the Applicants are hereby authorized and directed to pay the Break Fee to the Stalking Horse Bidder in the manner and circumstances described in the Stalking Horse Agreement.

11. **THIS COURT ORDERS** that the Stalking Horse Agreement is hereby approved and accepted solely for the purposes of being the stalking horse bid under the SISP and subject to further order of the Court referred to in paragraph 9 above.

PROTECTION OF PERSONAL INFORMATION

12. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Monitor, the Applicants and their respective advisors are hereby authorized and permitted to disclose personal information of identifiable individuals (“**Personal Information**”) to a SISP Participant and to its advisors, including human resources and payroll information, records pertaining to the Applicants’ past

and current employees, and information on specific customers, but only to the extent desired or required to negotiate or attempt to complete a transaction in the SISP. Each SISP Participant to whom any Personal Information is disclosed shall maintain and protect the privacy of such Personal Information with security safeguards appropriate to the sensitivity of the Personal Information and as may otherwise be required by applicable federal or provincial legislation. Each SISP Participant to whom any Personal Information is disclosed shall also limit the use of such Personal Information to its participation in the SISP.

SEALING PROVISION

13. **THIS COURT ORDERS** that the Confidential Exhibit to the Medeiros Affidavit is hereby sealed and kept confidential pending further Order of the Court and shall not form part of the public record.

GENERAL

14. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties under the SISP.

15. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are 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.

16. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. on the date of this Order without any need for entry and filing.

Schedule "A"
SISP Procedures

[*See next page.*]

SALE AND INVESTMENT SOLICITATION PROCESS ("Sale Process")

For the sale of the business and/or assets of JBT Transport Inc., Waydom Management Inc., Melair Management Inc., Heritage Truck Lines Inc., Drumbo Transport Limited, Heritage Northern Logistics Inc., Heritage Warehousing & Distribution Inc. (collectively, the "**Companies**").

Introduction

1. On January 24, 2025, the Companies each filed a Notice of Intention to Make a Proposal ("**NOI**") under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3. Dodick Landau Inc. was appointed as proposal trustee under the NOI.
2. On February 10, 2025, the Court continued the NOI proceedings under the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36 ("**CCAA**") pursuant to an initial order, which, among other things, appointed Dodick Landau Inc. as the monitor of the Companies (the "**Monitor**").
3. On February 27, 2025, the Court granted two orders:
 - (a) an amended and restated initial order (the "**ARIO**"), which, among other things, approved an interim financing facility put forth by Randy Bowman (in such capacity, the "**DIP Lender**"); and
 - (b) an order (the "**SISP Approval Order**") that, among other things, authorized the Companies to implement a sale and investment solicitation process ("**SISP**") in accordance with the terms hereof.
4. Pursuant to the SISP Approval Order, the Court also approved a subscription agreement (the "**Stalking Horse Agreement**") between the Companies as issuers and a company to be incorporated by the DIP Lender, Kyle Medeiros, and Denis Medeiros (in such capacity, the "**Stalking Horse Bidder**"). For the avoidance of doubt, the implementation of the transactions contemplated by the Stalking Horse Agreement is conditional upon the Stalking Horse Agreement being selected as a Successful Bid (as defined below) in accordance with these Bidding Procedures and Court approval of the Stalking Horse Agreement and the transactions contemplated therein on a subsequent motion to be brought by the Companies following the completion of the SISP.
5. Copies of the ARIO, the SISP Approval Order and all other materials filed in these proceedings can be found at the following URL: https://dodick.ca/public_documents/jbt-transport-inc-drumbo-transport-ltd-heritage-warehousing-distribution-inc-heritage-truck-lines-inc-heritage-northern-logistics-inc-melair-management-inc-and-waydom-management-inc-col/ (the "**Monitor's Website**").
6. This document sets out the procedures for the conduct of the SISP (the "**Bidding Procedures**").

Objectives and Background of the Sale Process

7. The SISP is intended to solicit interest in, and opportunities for, a sale of, investment in, recapitalization of, or liquidation of, all or part of the Companies, their Property, and business operations (the “**Opportunity**”). The Opportunity may include one or more of: (i) a recapitalization, arrangement or other form of investment in or reorganization of the business and affairs of the Companies as a going concern, (ii) a sale of all, substantially all, or one or more components of the Companies’ business operations (the “**Business**”) as a going concern, or (iii) a sale or liquidation of all, substantially all, or one or more components of the Companies’ assets (including without limitation the shares of the Companies) (the “**Property**”).
8. The Bidding Procedures describe the manner in which prospective bidders may gain access to due diligence materials concerning the Companies, the Property and the Business, the manner in which bidders may participate in the SISP, requirements for bids received, the ultimate selection of a Successful Bidder(s) (as defined herein), and the requisite approvals to be sought from the Court in connection therewith.
9. The SISP shall be conducted by the Monitor in consultation and with the assistance of the Companies.
10. Any transaction consummated pursuant to the SISP will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature or description by the Monitor, the Companies, or any of their respective directors, officers, agents, advisors, or other representatives unless otherwise agreed in a definitive agreement.
11. The Monitor may make any modification to the Sale Process it considers appropriate in the circumstances and, where it considers such modification to be material, it may seek Court approval of such modification on notice to parties in the CCAA proceeding. The extension of any date in the Sale Process by up to two weeks shall not be considered material.

SISP Timelines

12. The following table sets out the key milestones and deadlines under the SISP, which milestones and deadlines may be extended or amended by the Monitor, in consultation with the Companies, by up to two weeks without Court approval:

Milestone	Deadline
The Court issues the SISP Approval Order approving the SISP	February 27, 2025
Commencement of the solicitation process (the “ Commencement Date ”)	As soon as reasonably practicable but no later than March 12, 2025
Deadline to submit a Qualified Bid	April 18, 2025 not later than 5:00 PM (Toronto Time)
Notification of Auction (if applicable)	April 22, 2025

Auction	April 25, 2025
Selection of Successful Bid	April 25, 2025
Sale Approval Hearing (as defined herein)	By no later than May 9, 2025, subject to Court availability
Closing Date Deadline	As soon thereafter as possible, and, in any event, by no later than May 16, 2025 (“ Closing Date Deadline ”)

13. Any extensions or amendments (other than the Closing Date Deadline) shall be communicated to all bidders in writing and posted on the Monitor's Website.

Solicitation of Interest: Notice of Sale Process

14. The Monitor shall be entitled, but not obligated, to arrange for a notice to be published in any newspaper or industry journal as the Monitor considers appropriate if it believes that such advertisement would be useful in the circumstances.
15. As soon as reasonably practicable, but, in any event, by no later than the Commencement Date:
- (a) the Monitor, in consultation with the Companies, will prepare a list of potential bidders, including (i) parties that have approached the Companies or the Monitor indicating an interest in the Opportunity; (ii) local and international strategic and financial parties which the Monitor, in consultation with the Companies, believes may be interested in the Opportunity, and (iii) and parties that have otherwise showed an interest in the Companies, the Property and/or the Business prior to the date of the SISP Approval Order; in each case, whether or not such party has submitted a letter of intent or similar document (collectively, the “**Interested Parties**” and each, an “**Interested Party**”);
 - (b) the Monitor will publish a notice of the SISP and any other relevant information that the Companies, in consultation with the Monitor, consider appropriate, on the Monitor’s Website, and in publications as may be considered appropriate by the Monitor;
 - (c) the Monitor, in consultation with the Companies, will prepare (i) a process summary (the “**Teaser Letter**”) describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; (ii) a confidential information memorandum describing the Opportunity (“**CIM**”); and (iii) a non-disclosure agreements (each an “**NDA**”) in form and substance satisfactory to the Monitor, the Companies, and their respective counsel, which agreement shall enure to the benefit of the Successful Bidder(s); and
 - (d) the Monitor, in consultation with the Companies, will prepare and maintain a virtual data room (the “**VDR**”) containing the Stalking Horse Agreement and due diligence information and documentation in relation to the Opportunity. The VDR

may be updated from time to time throughout the SISP. Participants (as defined below), must direct all due diligence questions in connection with the VDR, on a without liability or representation basis, to the Monitor.

16. The Monitor will have responsibility for managing all communication with Interested Parties prior to and after receipt of binding offers (“**Offers**”). This shall include facilitating the delivery of all communications, contacting prospective bidders and providing them with the Teaser Letter and CIM, coordinating the execution of NDAs, facilitating any requests for tours of the facilities, managing the process of answering inquiries from prospective bidders, coordinating any presentations that may be requested by Potential Bidders (defined below), soliciting and tracking all Offers, and reviewing and negotiating transaction documentation.
17. The Monitor will send the Teaser Letter and the form of NDA to all applicable Interested Parties as soon as reasonably practicable after the granting of the SISP Approval Order and to any other Interested Party who requests a copy of the Teaser Letter and NDA, or who is identified by the Companies or the Monitor as an Interested Party, as soon as reasonably practicable after such request or identification, as applicable.

Sale Process

18. Any Interested Party who wishes to participate in the Sale Process must provide to the Monitor:
 - (a) an NDA executed by it, and a letter setting forth the identity of the Interested Party, the contact information for such Interested Party, and full disclosure of the direct and indirect principals of the Interested Party. The NDA shall include an acknowledgement of the Bidding Procedures; and
 - (b) if the Monitor considers it necessary, such form of financial disclosure that allows the Monitor to make a reasonable determination as to the Interested Party's financial and other capabilities to consummate a transaction.
19. If an Interested Party: (i) has delivered an executed NDA; and (ii) has provided the Monitor with satisfactory evidence of its capability based on the availability of financing, its experience, and other considerations, to be able to consummate a sale transaction pursuant to the Sale Process, then such Interested Party will be determined by the Monitor to be a “**Potential Bidder**” and if more than one, the “**Potential Bidders**”. The Stalking Horse Bidder shall be deemed to be a Potential Bidder.
20. The Monitor will provide each Potential Bidder with a copy of the CIM and access to the VDR. Potential Bidders must rely solely on their own independent review, investigation, and/or inspection of all information and of the Business and/or assets in connection with their participation in the Sale Process and any transaction they enter into with the Companies. The Companies, the Monitor, and their respective directors, officers, agents and advisors make no representation or warranty whatsoever as to the information (including, without limitation, with respect to its accuracy or completeness): (i) contained in the CIM or the VDR; (ii) provided through the due diligence process or otherwise made available pursuant to the Sale Process; or (iii) otherwise made available to a Potential Bidder except to the extent contemplated in any definitive documentation duly

executed and delivered by the Successful Bidder (as defined below) duly executed by the Companies and approved by the Court.

21. At any time during the Sale Process, the Monitor may, in its reasonable business judgment, eliminate a Potential Bidder from the Sale Process, in which case such party will no longer be a Potential Bidder for the purposes of the Sale Process.
22. The Monitor shall afford each Potential Bidder such access to applicable due diligence materials and information pertaining to the Business and Property of the Companies as the Monitor deems appropriate in its reasonable business judgment. Due diligence access may include management presentations, access to the VDR, on-site inspections, and other matters which a Potential Bidder may reasonably request and which the Monitor deems appropriate. The Monitor will designate one or more representatives to coordinate all reasonable requests for additional information and due diligence access from each Potential Bidder and the manner in which such requests must be communicated. The Monitor shall not be obligated to furnish any information relating to the Business or the Property to any person other than to Potential Bidders. For the avoidance of doubt, selected due diligence materials may be withheld from certain Potential Bidders during the Sale Process, if the Monitor determines such information to represent proprietary or sensitive competitive information related to the Business and/or the Property of the Companies that should not be provided to a Potential Bidder.

Bid Deadline

23. A Potential Bidder that wishes to make an offer pursuant to the Sale Process must deliver a Qualified Bid (as defined herein) to the Monitor so as to be received by the Monitor not later than 5:00 PM (Toronto Time) on April 18, 2025 (the "**Bid Deadline**"), with a copy to each of the persons specified in **Schedule "A"** hereto.

Criteria for Qualified Bids

24. Any person who wishes to submit a bid ("**Bid**") in the SISP must submit a bid that complies with the following criteria (any bid that so complies, a "**Qualified Bid**", and the offeror thereof, a "**Qualified Bidder**"):
 - (a) it is submitted on or before the Bid Deadline in accordance with paragraph 23 herein;
 - (b) it is accompanied by a letter setting forth:
 - (i) the identity of the bidder and full disclosure of any entities and/or individuals that control the bidder; and/or the beneficial owner (if any) with the power, directly or indirectly to cause the direction of the management and policies of the bidder;
 - (ii) a statement that the bidder expects to be able to consummate a sale transaction pursuant to the Sale Process on or before the Closing Date Deadline (as defined herein); and
 - (iii) such other information as reasonably requested by the Monitor, in consultation with the Companies;

- (c) the Bid contains the following:
- (i) if the bid is structured as a “reverse vesting transaction”, it includes a duly authorized and executed binding transaction agreement, including all exhibits and schedules contemplated thereby, together with a blackline against the Stalking Horse Agreement (which shall be posted in Word format in the VDR), describing the terms and conditions of the proposed transaction, including any liabilities and obligations proposed to be assumed, the purchase price, the structure and financing of the proposed transaction, and any regulatory or other third-party approvals required;
 - (ii) if the bid is structured in a form other than a “reverse vesting transaction”, it includes a duly authorized and executed, definitive transaction agreement, containing the detailed terms and conditions of the proposed transaction, including the Business or the assets proposed to be acquired, the obligations and liabilities to be assumed/excluded, the detailed structure of the transaction, the final purchase price or investment amount, and any other key economic terms expressed in Canadian dollars, together with all exhibits and schedules thereto, all applicable ancillary agreements with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such ancillary agreements), and the proposed form of order(s) for the Court to consider in the motion to approve the transaction;
 - (iii) if the bid is structured as a liquidation offer, it includes a duly authorized and executed definitive liquidation offer/proposal/agreement including identification of the subject assets, the obligations and liabilities to be assumed (if any), the detailed structure of the liquidation, a net minimum guarantee (which shall stand as the “purchase price” for all purposes hereunder) and any other key economic terms expressed in Canadian dollars, together with all exhibits and schedules thereto, and confirmation of any order(s) required of the Court in connection with the same;
 - (iv) cash consideration sufficient to pay in full on closing of the transaction: (i) the amount equal to the Cash Consideration and DIP Credit Bid Consideration, each as defined in the Stalking Horse Agreement, plus an incremental overbid amount (in the minimum amount of \$125,000); (ii) an administrative reserve in an amount satisfactory to the Monitor necessary to wind-down the CCAA proceeding; and (iii) a break fee in the amount of \$65,000 as contemplated in the Stalking Horse Agreement;
 - (v) a purchase price in Canadian dollars, including details of all assets to be purchased and liabilities to be assumed by the bidder;
 - (vi) a provision that it is binding and irrevocable until the earlier of: (i) 30 days after the Bid Deadline and (ii) approval by the Court of the Successful Bid;
 - (vii) a refundable cash deposit in the form of a wire transfer (to a bank account specified by the Monitor or such other form of deposit as is acceptable to the Monitor), payable to the Monitor, in trust, in an amount equal to 10% of the purchase price contemplated by the Bid (the “**Deposit**”). All

Deposits submitted by Potential Bidders who did not submit the Successful Bid shall be returned, without interest, as soon as practicable following the date on which any such offers are rejected hereunder. The Deposit forming part of the Successful Bid shall be dealt with in accordance with the asset purchase agreement submitted by the Successful Bidder;

- (viii) written evidence of a firm, irrevocable commitment for financing or other evidence of an ability to consummate the proposed transaction or transactions comprising the Bid, that will allow the Monitor to make a determination as to the bidder's financial and other capabilities to consummate the proposed transaction;
- (ix) acknowledgments and representations of the bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Business and/or Property, the Companies, or otherwise, prior to making its bid; (ii) it has relied solely upon its own independent review, investigation and/or inspection of the Business and/or assets (including, without limitation, any documents in connection therewith) in making its bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory, or otherwise, regarding the Business and/or assets or the Companies or the completeness of any information provided in connection therewith, except as expressly contemplated in any definitive documentation duly executed by the Successful Bidder and the Companies and approved by the Court;
- (x) written evidence, in form and substance reasonably satisfactory to the Monitor, of authorization and approval from the bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Bid;
- (xi) specific statements concerning the intended treatment of unsecured creditors, guaranteed obligations, lien claimants, subtrades who have or are continuing to provide goods or services in relation to projects, as well as receivables and liabilities associated with Trade-Mark Industrial Inc., Trade-Crete Ltd. and Comtrade Ltd., including any cost of litigation associated therewith;
- (xii) a provision stating it is not subject to further due diligence;
- (xx) a provision stating it is not subject to financing;
- (xxx) a description of any regulatory or other third-party approvals required to consummate the proposed transaction, and the time period within which the bidder expects to receive such regulatory and/or third-party approvals, and those actions the bidder will take to ensure receipt of such approvals as promptly as possible;
- (xl) a description of any desired arrangements with respect to transition services that may be required from the Companies in connection with the

transaction, including funding for same; not be subject to any conditions precedent except those that are customary in a transaction of this nature; not be conditional upon approval by the Court of any bid protection, such as a break-up fee, termination fee, expense reimbursement or similar type of payment;

- (xli) the conditions to closing of the proposed transaction;
 - (xlii) any other terms or conditions that the bidder believes are material to the transaction; and
 - (xlili) a closing date for the transaction that is on or before the Closing Date Deadline of May 16, 2025 (collectively, the “**Bid Criteria**”).
25. The Monitor may, if it deems appropriate or desirable in the circumstances, modify or amend the Bid Criteria, including but not limited to the ability of the Monitor to deem any liquidation offer to be a Qualified Bid when taking into account the realizable value of the of any assets *excluded* from such offer.

Assessment of Qualified Bids

26. Following the Bid Deadline, the Monitor will determine if each Bid delivered to the Monitor meets the Bid Criteria, provided that each Qualified Bid may be negotiated among the Monitor and the applicable bidder and may be amended, modified or varied to improve such Qualified Bid as a result of such negotiations. The Monitor shall be under no obligation to negotiate identical terms with, or extend identical terms to, each bidder.
27. If a Bid meets the Bid Criteria, as determined by the Monitor in its sole discretion in consultation with the Companies, such Bid will be deemed to be a Qualified Bid in respect to the Sale Process.
28. Notwithstanding anything herein to the contrary, the offer represented by the Stalking Horse Agreement shall be deemed to be a Qualified Bid for all purposes under, and at all times in connection with, this Sales Process.

Selection of Successful Bidders

29. If the Monitor, after consultation with the Companies, determines that no Qualified Bid (other than the Stalking Horse Agreement) has been received by the Bid Deadline, the Stalking Horse Agreement shall be deemed the Successful Bid (as defined below).
30. If more than one Qualified Bid is received by the Bid Deadline, the Monitor shall extend invitations by email by 10:00 a.m. E.S.T. on the second (2nd) Business Day after the Bid Deadline to the Qualified Bidders and to the Stalking Horse Bidder to attend an auction (the “**Auction**”). The Auction shall be held at 10:00 a.m. on the fifth (5th) Business Day after the Bid Deadline at the offices of the Monitor or by teleconference, video conference, or other form of electronic telecommunications, as the Monitor may deem fit.
31. The Monitor shall conduct the Auction. At the Auction, the bidding shall begin initially with the highest Qualified Bid, and subsequently continue in multiples of \$250,000, or

such other amount as the Monitor determines to facilitate the Auction. Additional consideration in excess of the amount set forth in the highest Bid must be comprised only of cash consideration. The format and other procedures for the Auction shall be determined by the Monitor in its sole discretion.

32. The successful bid (the “**Successful Bid**”, and the bidder of making such bid, a “**Successful Bidder**”) shall be, either:
 - (a) in the event that no Qualified Bid other than the Stalking Horse Agreement is received by the Bid Deadline, the Stalking Horse Agreement; or
 - (b) in the event that multiple Qualified Bids are received, following the conclusion of the Auction, the Qualified Bidder submitting the highest and/or best offer through the Auction.
33. The Monitor, in consultation with the Companies, may also identify the Qualified Bid constituting the second highest or otherwise best Bid (the “**Back-Up Bid**”, and the Qualified Bidder making such Back-Up Bid, the “**Back-Up Bidder**”) following the Auction. For clarity, the Stalking Horse Agreement may be deemed by the Monitor, in its sole discretion, to be a Back-Up Bid.
34. If a Successful Bidder fails to close the transaction contemplated by the Successful Bid, for any reason, then the Companies will be deemed to have accepted the Back-Up Bid and will proceed with the transaction pursuant to the terms thereof, in which case the Back-Up Bid shall be considered the Successful Bid for the purposes of this Sale Process.
35. The determination of any Successful Bid or Back-Up Bid by Monitor, in consultation with the Companies, shall be subject to approval by the Court.

Sale Approval Motion Hearing

36. At the hearing of the motion to approve any transaction with a Successful Bidder or a Back-Up Bidder (the “**Sale Approval Hearing**”), the Companies shall seek, among other things, approval from the Court to consummate any Successful Bid or Back-Up Bid. All the Qualified Bids other than the Successful Bid or Back-Up Bid, if any, shall be deemed to be rejected on and as of the date of approval of the Successful Bid by the Court. The Back-Up Bid, if any, shall be deemed to be rejected on and as of the date of closing the Successful Bid.

Confidentiality and Access to Information

37. Each Interested Party, and Qualified Bidder shall not be permitted to receive any confidential or competitive information that is not made generally available to all participants in the Sale Process including the number or identity of bidders, the details of any Bids submitted, or the details or existence of any confidential discussions or correspondence among the Companies, the Monitor, and any bidder in connection with the Sale Process.

38. The Stalking Horse Bidder shall not be entitled to review, or in any way be involved in, the consideration, negotiation, or selection of any Qualified Bid, or Successful Bid other than as a participant in the Auction if so advised.

Supervision of the Sale Process

39. Subject to any consultation rights and other similar rights provided for herein, the Monitor will conduct the Sale Process in the manner set out herein and in the SISP Approval Order. All discussions or inquiries to the Companies regarding the Sale Process shall be directed to the Monitor. Under no circumstances should a representative of the Companies be contacted directly or indirectly in respect of the Sale Process, including diligence requests, without the prior written consent of the Monitor. Any such unauthorized contact or communication could result in exclusion from the Sale Process, in the Monitor's sole discretion.
40. The Companies and their principals, employees and professional advisors shall cooperate fully with the Monitor and provide documents and information requested as part of the Sale Process to the Monitor in a prompt fashion.
41. Other than as specifically set forth in a definitive agreement between the Companies and a Successful Bidder, the Sale Process does not, and will not be interpreted to, create any contractual or other legal relationship among the Companies, the Monitor, any Interested Party, Qualified Bidder, the Successful Bidder, or any other party.
42. Neither the Companies nor the Monitor shall be liable for any claim for a brokerage commission, finder's fee or like payment in respect of the consummation of any of the transactions consummated under the Sale Process. Any such claim shall be the sole liability of the bidder that consummates a transaction under the Sale Process pursuant to which the claim is being made.

SCHEDULE "A" – EMAIL ADDRESSES FOR DELIVERY OF BIDS

To the Monitor:

DODICK LANDAU INC.

951 Wilson Ave
Suite 15L
Toronto, ON M3K 2A7

Attention:

Rahn Dodick - rahn.dodick@dodick.ca

With a copy to counsel to the Monitor:

LOOPSTRA NIXON LLP

135 Queens Plate Dr.,
Suite 600
Etobicoke, ON M9W 6V7

Attention:

Graham Phoenix - gphoenix@LN.Law
Shahrazad Hamraz - shamraz@LN.Law

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF JBT TRANSPORT INC. ET AL.

Court File No. CV-25-00736572-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

SALE PROCESS APPROVAL ORDER

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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 A PLAN OF COMPROMISE OR
ARRANGEMENT OF JBT TRANSPORT INC. et al.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

**SUPPLEMENTARY MOTION RECORD OF THE
APPLICANTS
(Returnable February 27, 2025)**

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