IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re Pride Group Holdings Inc., *et al.*[1] Debtors in Foreign Proceedings.	Chapter 15 Case No. 24-10632 (CTG) (Jointly Administered) **Hearing Date:** **TBD** **Objection Deadline:** **April 23, 2025 at 4:00 p.m. (ET)**

MOTION OF THE FOREIGN REPRESENTATIVE FOR ENTRY OF AN ORDER (I) AUTHORIZING THE SALE OF PROPERTY OF DEBTOR VALLEY BOULEVARD FONTANA HOLDING CORP. FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS AND (II) GRANTING RELATED RELIEF

Randall Benson, solely in his capacity as the duly authorized foreign representative (the "Foreign Representative") of the above-captioned debtors (collectively, the "Debtors") in the Canadian proceedings (the "CCAA Proceedings") commenced under the Companies' Creditors Arrangement Act (the "CCAA"), pending before the Ontario Superior Court of Justice (Commercial List) in Ontario, Canada, Court File No. CV-24-00717340-00CL (the "Canadian Court"), respectfully submits this motion (the "Motion"), pursuant to sections 105(a), 363, 1501, 1507, 1514, 1520 and 1521 of title 11 of the United States Code (the "Bankruptcy Code"), Rules 2002, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Local Rule 6004-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States

[1] The last four digits of Debtor Pride Group Holdings Inc.'s Canadian business number are 6399. Due to the large number of debtors in these chapter 15 cases, a complete list of the debtor entities and the last four digits of their unique identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' noticing agent at https://dm.epiq11.com/pridegroup. The Debtors' service address for the purposes of these chapter 15 cases is 1450 Meyerside, Suite 401, Mississauga, Ontario, L5T 2N5, Canada.

Bankruptcy Court for the District of Delaware (the "Local Rules"), for entry of an order (the "Sale Order"), substantially in the form attached hereto as **Exhibit A**, (i) authorizing the sale of certain property owned by Debtor Valley Boulevard Fontana Holding Corp. ("Fontana") pursuant to the sale agreement attached as **Exhibit B** hereto (as amended and as may be further amended from time to time, the "Sale Agreement"), free and clear of liens, claims, encumbrances and other interests and (ii) granting related relief.

In support of the requested relief, the Foreign Representative respectfully refers the Court to and incorporates by reference the *Declaration of Foreign Representative in Support of Motion of the Foreign Representative for Entry of an Order (I) Authorizing the Sale of Property of Debtor Valley Boulevard Fontana Holding Corp. Free and Clear of Liens, Claims, Encumbrances and Other Interests and (II) Granting Related Relief* (the "Declaration") filed contemporaneously herewith.

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. Recognition of a foreign proceeding and other matters under chapter 15 of the Bankruptcy Code are core matters under 28 U.S.C. § 157(b)(2)(P).

2. The Foreign Representative, solely in his capacity as such, consents to the entry of final orders or judgments by the Court if it is determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

3. Venue is proper in this Court and this District pursuant to 28 U.S.C. § 1410.

4. The statutory predicates for the relief requested herein are section 105(a), 363, 1501, 1507, 1514, 1520, and 1521 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, and 9014, and Local Rule 6004-1.

BACKGROUND

I. Commencement of the CCAA Proceedings and the Chapter 15 Cases

5. The Debtors and their non-Debtor affiliates (collectively, the "Pride Group") operate a trucking and logistics conglomerate based in Canada with operations in Canada and the United States. The Pride Group's businesses are managed from their headquarters in Mississauga, Ontario, and they maintain facilities and operations in both Canada and the United States. The Pride Group owns substantial assets within the territorial jurisdiction of the United States, including, among other things, real estate properties, bank accounts, equipment, and trucks.

6. On March 27, 2024, the Debtors commenced the CCAA Proceedings in the Canadian Court, and the Canadian Court issued the initial order (the "Initial Order,") authorizing, among other things, Randall Benson to act as the Foreign Representative for the Debtors and file these chapter 15 cases (collectively, the "Chapter 15 Cases").

7. On April 1, 2024 (the "Initial Petition Date"), the Foreign Representative filed form petitions for the Pride Group's 26 Canadian and U.S. operating companies and non-real estate holding companies (the "Initial Debtors"), thereby commencing the Initial Debtors' Chapter 15 Cases. On the same day, the Foreign Representative filed the *Verified Petition for (I) Recognition of Foreign Main Proceedings, (II) Recognition of Foreign Representative, and (III) Related Relief Under Chapter 15 of the Bankruptcy Code* [D.I. 2] (the "Verified Petition") seeking, among other things, recognition of the CCAA Proceedings as "foreign main proceedings" under section 1517 of the Bankruptcy Code, and certain related relief.

8. On April 5, 2024, the Canadian Court signed an amended and restated Initial Order (the "A&R Initial Order") and the Protocols Order (the "Protocols Order," and together with the A&R Initial Order, the "Canadian Orders"). The A&R Initial Order authorizes, among other things, the Debtors to list for sale all of their real property, subject to the Protocols Order. The Protocols Order approves, among other things, a real estate monetization plan, which is intended to bring structure, oversight, and transparency to the monetization of the Debtors' real estate (the "Real Estate Monetization Plan"). Following the Canadian Court's signing of the Canadian Orders, the Foreign Representative sought and obtained enforcement of those orders in the United States on a provisional basis pursuant to this Court's *Order Granting Provisional Relief in Connection with Debtors-In-Possession Financing and Certain Protocols Pursuant to Sections 105(a) and 1519 of the Bankruptcy Code* [D.I. 110] (the "Second Provisional Relief Order").

9. Pursuant to the Real Estate Monetization Plan, the DIP Borrowers[2] were required to list for sale all of their real property by no later than May 1, 2024 (unless otherwise extended), including all real property owned by the Debtors. The listing for sale of such real property and the sale process undertaken with respect such real property is directed by the Debtors' chief restructuring officer, RC Benson Consulting Inc. (the "CRO"), in consultation with the Debtors' Canadian Court-appointed monitor (the "Monitor") and relevant third-party mortgagees and the Royal Bank of Canada, as administrative agent (the "DIP Agent") under the DIP Facility (as defined in the Recognition Order).

[2] As used herein, "DIP Borrowers" includes: (i) each of the Debtors and (ii) non-Debtor affiliates Pride Truck Sales L.P., TPine Leasing Capital L.P., and Sweet Home Hospitality L.P.

10. On April 15, 2024, the Foreign Representative filed additional form petitions for the Pride Group's 45 Canadian and U.S. single-asset real estate holding companies (the "Additional Debtors"), thereby commencing the Additional Debtors' Chapter 15 Cases.

11. On April 23, 2024, the Debtors filed an amended Verified Petition [D.I. 121] (the "Amended Verified Petition, and together with the Petitions, the "Chapter 15 Petitions").

12. On May 2, 2024, the Court entered an order [D.I. 152] (the "Recognition Order") granting recognition of the CCAA Proceedings and the related relief sought in the Chapter 15 Petitions, including, among other things, extending the relief granted in the Second Provisional Relief Order on a final basis.

13. On June 7, 2024, the Court entered the *Order (I) Approving the Sale Procedures and Sale Notice, (II) Authorizing the Sale of the Debtors' U.S. Assets Free and Clear of Liens, Claims, Encumbrances and Other Interests, and (III) Granting Related Relief* [D.I. 197] (the "Sale Procedures Order"), which authorizes the sale of the Debtors' assets located within the territorial jurisdiction of the United States pursuant to the procedures set forth in the Sale Procedures Order. The Foreign Representative has obtained approval of and consummated several transactions pursuant to the procedures set forth in the Sale Procedures Order.

14. On October 10, 2024, the Canadian Court granted an order implementing a centralized, coordinated, and controlled wind-down of the Pride Group's remaining assets, including real property owned by the Debtors in the United States (the "Wind-Down Order"). Following the Canadian Court's signing of the Wind-Down Order, the Foreign Representative sought and obtained enforcement of the Wind-Down Order in the United States pursuant to this Court's *Order (I) Enforcing the Wind-Down Orders and (II) Granting Related Relief* [D.I. 286].

15. Notices of sales of the Debtors' property under the Sale Procedures Order do not provide legal arguments for the sale of properties free and clear of liens, claims, encumbrances and other interests under section 363(f) of the Bankruptcy Code on a basis other than consent. Given that the holders of the Mechanic's Liens (as defined below) have not consented to the sale under the Sale Agreement, out of an abundance of caution, the Foreign Representative is filing this Motion to provide the basis for section 363(f) relief with respect to those liens.

II. The Sale Process for the Fontana Property

16. In 2021, Fontana purchased a parcel of real property located at 15762 Valley Blvd., Fontana, CA 92335 (the "Property"). The Property was previously used by the Pride Group for sales, leasing, and servicing of trucks. As noted above, the Debtors are currently engaged in the centralized, coordinated, and controlled wind-down of their remaining assets pursuant to the Wind-Down Order, including their real properties located in the United States.

17. Prior to the Initial Petition Date, on January 17, 2024, Fontana retained CBRE, Inc., an independent broker (the "Broker"), to publicly list the Property for sale. The Broker formally marketed the Property following its retention for over a year. The marketing process generated seven offers for the Property over the course of its listing, including (i) six offers in amounts ranging from US$8,960,000 to US$16,000,000 and (ii) an offer in the amount of US$17,650,000 from Duff Real Estate, LLC (the "Purchaser"). The Purchaser's offer for the Property was the highest offer, and was ultimately accepted by Fontana as the winning offer, which culminated in the Sale Agreement between the parties thereto.

18. Fontana, in consultation with the CRO and the Monitor, determined that additional marketing efforts for the Property would be unlikely to yield an offer that is a higher and better offer than the Purchaser's offer under the circumstances. Therefore, Fontana, in consultation with the CRO and the Monitor, believes that entry into and consummation of the transactions

contemplated by the Sale Agreement represents the highest and best value for the Purchased Assets (defined below) under the circumstances in its business judgment and is in the best interests of the Debtors, their creditors, and other stakeholders.

III. The Sale Agreement and Local Rule 6004-1 Disclosures

19. On January 22, 2025, Fontana, as the seller, and the Purchaser entered into the Sale Agreement pursuant to which the Purchaser agreed to purchase from Fontana all of Fontana's rights, title and interests in and to the Property, along with all other property described in Section 1.01 of the Sale Agreement (collectively, the "Purchased Assets").

20. The Foreign Representative submits this Motion on the date hereof to provide notice to parties in interest as required by Local Rule 9006-1 to enable Fontana to close the transactions contemplated by the Sale Agreement on or about May 13, 2025 (the "Closing Date").

21. The following is a summary of certain material provisions of the Sale Agreement,[3] including certain disclosures as required by Local Rule 6004-1.[4]

Provision	Description	Location in Sale Agreement
Purchased Assets	Seller agrees to sell to Purchaser and Purchaser agrees to purchase from Seller in accordance with the terms and conditions of the Sale Agreement, all of Seller's rights, title and interests in and to the real property located at 15762 Valley Blvd., Fontana, CA 92335 and all other property described in section 1.01 of the Sale Agreement.	Sale Agreement ¶ 1.01
Purchase Price	US$17,650,000	Sale Agreement ¶ 2.01

[3] Capitalized terms used in this table but not otherwise defined herein shall have the meanings ascribed to them in the Sale Agreement.

[4] Pursuant to Local Rule 6004-1(b)(iv), a Sale Motion (as defined in the Local Rules) must highlight certain provisions contained in the proposed form of sale order and/or the underlying sale agreement. The Foreign Representative has highlighted below the relevant provisions of the Sale Agreement that implicate Local Rule 6004-1(b)(iv) by providing a citation to the relevant sections of the Sale Agreement. In addition, the Foreign Representative highlights that, pursuant to the Sale Order, it is requesting (i) that the sale be approved under section 363(f) of the Bankruptcy Code, free and clear of any interests and (ii) a waiver of Bankruptcy Rule 6004(h).

Provision	Description	Location in Sale Agreement
Sale to Insider *Local Bankr. R. 6004-1(b)(iv)(A)*	The Purchaser is not an insider as defined by section 101(31) of the Bankruptcy Code.	N/A
Agreements with Management *Local Bankr. R. 6004-1(b)(iv)(B)*	N/A	N/A
Releases *Local Bankr. R. 6004-1(b)(iv)(C)*	N/A	N/A
Private Sale/No Competitive Bidding *Local Bankr. R. 6004-1(b)(iv)(D)*	The sale of the Purchased Assets is fair and reasonable under the circumstances, is the result of good-faith, arm's length negotiations, and is in the best interests of the Debtors, their creditors, and other stakeholders.	N/A
Closing and Other Deadlines *Local Bankr. R. 6004-1(b)(iv)(E)*	The Closing Date is scheduled to occur on or about May 13, 2025.	Sale Agreement ¶ 4.01
Good Faith Deposit *Local Bankr. R. 6004-1(b)(iv)(F)*	Purchaser has made an earnest money deposit in the amount of US$882,500 (together with any interest earned thereon, collectively, the "Earnest Money Deposit") to First American Title Insurance Company, as Escrow Agent, to be held in trust pending closing. The Earnest Money Deposit shall be applied against the Purchase Price at closing.	Sale Agreement ¶¶ 2.02, 2.03
Interim Arrangements with Purchaser *Local Bankr. R. 6004-1(b)(iv)(G)*	N/A	N/A
Use of Proceeds *Local Bankr. R. 6004-1(b)(iv)(H)*	N/A	N/A
Tax Exemption *Local Bankr. R. 6004-1(b)(iv)(I)*	N/A	N/A
Record Retention *Local Bankr. R. 6004-1(b)(iv)(J)*	N/A	N/A
Sale of Avoidance Actions *Local Bankr. R. 6004-1(b)(iv)(K)*	N/A	N/A
Requested Findings as to Successor Liability *Local*	N/A	N/A

Provision	Description	Location in Sale Agreement
Bankr. R. 6004-1(b)(iv)(L)		
Sale Free and Clear of Unexpired Leases *Local Bankr. R. 6004-1(b)(iv)(M)*	N/A	N/A
Credit Bid *Local Bankr. R. 6004-1(b)(iv)(N)*	N/A	N/A
Relief from Bankruptcy Rule 6004(h) *Local Bankr. R. 6004-1(b)(iv)(O)*	Time is of the essence given the Closing Date. Accordingly, the Foreign Representative requests that the Court waive the fourteen-day stay period under Bankruptcy Rules 6004(h).	N/A

RELIEF REQUESTED

22. By this Motion, the Foreign Representative respectfully requests entry of the Sale Order, substantially in the form attached hereto as **Exhibit A**, pursuant to sections 105(a), 363, 1501, 1507, 1514, 1520 and 1521 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, and 9014, and Local Rule 6004-1: (i) authorizing the sale of Fontana's rights, title, and interests in and to the Purchased Assets pursuant to the Sale Agreement, free and clear of liens, claims, encumbrances and other interests, and (ii) granting certain related relief.

BASIS FOR RELIEF REQUESTED

I. The Court Should Authorize the Sale of the Purchased Assets Pursuant to Section 363 of the Bankruptcy Code.

23. Upon a bankruptcy court's granting recognition of a foreign proceeding as a foreign main proceeding, relief is available to the petitioner under section 1520 of the Bankruptcy Code. *See* 11 U.S.C. § 1520. Section 1520(a)(2) of the Bankruptcy Code provides, in relevant part, that, "upon recognition of a foreign proceeding that is a foreign main proceeding . . . section[] 363 appl[ies] to a transfer of an interest of the debtor in property that is within the territorial jurisdiction of the United States to the same extent that the section[] would apply to property of an estate." 11 U.S.C.

§ 1520(a)(2). Moreover, section 1520(a)(3) provides that upon recognition of a foreign main proceeding, "unless the court orders otherwise, the foreign representative may operate the debtor's business and may exercise the rights and powers of a trustee under and to the extent provided by section[] 363." 11 U.S.C § 1520(a)(3); *see also In re Elpida Memory, Inc.*, 2012 Bankr. LEXIS 5367, at *18 (CSS) (Bankr. D. Del. Nov. 16, 2012) (holding that section 363 of the Bankruptcy Code applies to transfers of assets located within the United States outside of the ordinary course of business in connection with cases commenced under chapter 15 of the Bankruptcy Code); *In re Atrimm, S.r.L.*, 335 B.R. 149, 159 (Bankr. C.D. Cal. 2005) ("[U]nder chapter 15, § 363 (governing sale, use or lease of property of the estate) . . . appl[ies] to any transfer of an interest of the debtor in property within the territorial jurisdiction of the United States to the same extent that the sections would apply to property of a domestic bankruptcy estate.") (citing 11 U.S.C. § 1520(a)(2)).

24. Section 363(b) of the Bankruptcy Code provides that a debtor, "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). To approve a sale under section 363(b)(1) of the Bankruptcy Code, the Third Circuit requires a debtor to show that the decision to sell the property outside of the ordinary course of business was based on a sound exercise of the debtor's business judgment and that there is a sound business purpose for the proposed transaction. *See, e.g.*, *In re Martin*, 91 F.3d 389, 395 (3d Cir. 1996) ("Under Section 363, the debtor in possession can sell property of the estate . . . if he has an 'articulated business justification' . . . ."); *see also In re Schipper*, 933 F.2d 513, 515 (7th Cir. 1991) (same); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1070 (2d Cir. 1983) (requiring "some articulated business justification" to approve the use, sale or lease of property outside of the ordinary course of business).

25. In determining whether a sale is a sound exercise of a debtor's business judgment, Delaware Bankruptcy Courts require that the sale satisfy four requirements: "(1) a sound business reason exists for the sale; (2) the sale price is fair; (3) the debtor has provided adequate and reasonable notice; and (4) the purchaser has acted in good faith." *In re Decora Indus., Inc.*, 2002 WL 32332749, at *7−8 (D. Del. May 20, 2002) (citing *In re Delaware & Hudson Railway Co.*, 124 B.R. 169, 176 (D. Del. 1991)); *see also In re Abbotts Dairies of Pennsylvania, Inc.*, 788 F.2d 143, 150 (3d Cir. 1986); *In re Exaeris Inc.*, 380 B.R. 741, 744 (Bankr. D. Del. 2008); *Titusville Country Club v. Pennbank (In re Titusville Country Club)*, 128 B.R. 396, 399 (Bankr. W.D. Pa. 1991); *In re Sovereign Estates, Ltd.*, 104 B.R. 702, 704 (Bankr. E.D. Pa. 1989). The Foreign Representative submits that all of these requirements have been met.

26. ***First***, the "sound business reason" factor is similar to the 'business judgment rule,' which provides significant deference to a debtor's determination of its own best interests. *In re W.A. Mallory Co., Inc.*, 214 B.R. 834, 836 (Bankr. E.D. Va. 1997). Additionally, a showing of a sound business purpose is determined on the facts and circumstances of each case and need not be unduly exhaustive, but rather, "simply required to justify the proposed disposition with sound business reasons." *See In re Lionel Corp.*, 722 F.2d at 1071 (2d Cir. 1983); *In re Baldwin United Corp.*, 43 B.R. 888, 906 (Bankr. S.D. Ohio 1984). Here, there is a sound business reason to consummate the Sale Agreement. Fontana no longer intends to use the Property for operational or any other business purposes given that the Debtors are winding down their businesses, and therefore no longer requires the Property. Accordingly, Fontana retained an independent broker that publicly marketed the Property and engaged parties that were interested in purchasing the Purchased Assets. Fontana, in consultation with the CRO and the Monitor, determined that additional marketing efforts would be unlikely to yield an offer that is a higher and better offer

than the Purchaser's offer under the circumstances. Therefore, Fontana ultimately accepted the Purchaser's offer and believes that entry into and consummation of the transactions contemplated by the Sale Agreement represents the highest and best value for such assets under the circumstances in its business judgment. Accordingly, the Foreign Representative believes there is a sound business reason justifying the sale of the Purchased Assets to the Purchaser pursuant to the Sale Agreement.

27. ***Second***, the Purchase Price provided in the Sale Agreement is fair and reasonable. The Purchased Assets were publicly listed for sale by the Broker and the Purchase Price was the result of a comprehensive marketing process and is the highest and best offer received to date. Thus, the consideration provided constitutes a fair and reasonable price for the Purchased Assets.

28. ***Third***, fair and reasonable notice of the sale has been provided to all parties in interest in accordance with the Bankruptcy Code, Bankruptcy Rules and Local Rules, including all known lienholders. All parties in interest will have an opportunity to object and be heard at a hearing to consider the Motion.

29. ***Fourth***, the Sale Agreement is the product of arm's-length and good-faith negotiations between the parties thereto. As such, the Foreign Representative contends that the Purchaser is a "good faith" purchaser within the meaning of section 363(m) of the Bankruptcy Code.

30. For the foregoing reasons, the Foreign Representative submits that the sale of the Purchased Assets pursuant to the Sale Agreement is in the best interests of their estates, creditors and other parties in interest, and is a sound exercise of Foreign Representative's business judgment. Accordingly, the Foreign Representative respectfully requests that this Court approve the sale of the Purchased Assets.

31. This Court has previously granted relief similar to that requested in this Motion. *See* D.I. 166, 176. Further, courts in this district routinely grant relief similar to that requested in this Motion. *See, e.g.*, *In re Nextpoint Fin. Inc.*, No. 23-10983 (TMH) (Bankr. D. Del. Dec. 11, 2023) (authorizing and approving the sale free and clear of any and all liens, claims, encumbrances and other interests under section 363 of the Bankruptcy Code); *In re Thane Int'l, Inc.*, No. 15-12186 (KG) (Bankr. D. Del. Dec. 1, 2015) (same); *In re Xchange Tech. Group LLC*, No. 13-12809 (KG) (Bankr. D. Del. Nov. 25, 2013) (same); *Arctic Glacier Int'l Inc.*, No. 12-10605 (KG) (Bankr. D. Del. July 17, 2012) (same); *In re EarthRenew IP Holdings LLC*, No. 10-13363 (CSS) (Bankr. D. Del. Feb. 18, 2011) (same); *In re Grant Forest Prods.*, No. 10-11132 (PJW) (Bankr. D. Del. April 26, 2010) (same); *In re Destinator Techs. Inc.*, No. 08-11003 (CSS) (Bankr. D. Del. July 8, 2008) (same).

II. The Court Should Authorize and Approve the Sale of the Purchased Assets Free and Clear of Interests and Successor Liability Pursuant to Section 363(f) of the Bankruptcy Code.

32. Under section 363(f) of the Bankruptcy Code, a trustee or a debtor in possession may sell all or any part of a debtor's property free and clear of any and all liens, claims, encumbrances, and other interests in such property if: (1) such a sale is permitted under applicable non-bankruptcy law; (2) the party asserting such a lien, claim or interest consents to such sale; (3) the interest is a lien and the purchase price for the property is greater than the aggregate amount of all liens on the property; (4) the interest is the subject of a bona fide dispute; or (5) the party asserting the lien, claim or interest could be compelled, in a legal or equitable proceeding, to accept a money satisfaction for such interest. *See* 11 U.S.C. § 363(f); *In re P.K.R. Convalescent Ctrs.*, Inc., 189 B.R. 90, 93–94 (Bankr. E.D. Va. 1995) ("[Section] 363 covers more situations than just sales involving liens. . . . Section 363(f) addresses sales free and clear of any interest . . . ."). In addition, a court may authorize the sale of a debtor's assets free and clear of any liens, claims or

encumbrances under section 105 of the Bankruptcy Code. *See Volvo White Truck Corp. v. Chambersburg Beverage, Inc. (In re White Motor Credit Corp.)*, 75 B.R. 944, 948 (Bankr. N.D. Ohio 1987) ("Authority to conduct such sales [free and clear of liens] is within the court's equitable powers when necessary to carry out the provisions of Title 11.").

33. The Foreign Representative submits that at least one of the subsections of section 363(f) of the Bankruptcy Code is satisfied here with respect to each of the liens on the Purchased Assets. The Foreign Representative believes that the only parties that have a lien on the Purchased Assets are (i) Roynat, Inc. ("Roynat"), as the mortgagee, (ii) the DIP Agent, (iii) certain taxing authorities holding liens against the Property relating to delinquent taxes (the "Tax Liens")[5] and (iv) Vega Iron Works, Inc ("Vega") and Lord Constructors, Inc. ("Lord"), each of which has registered a mechanic's lien against the Property (the "Mechanic's Liens"). Roynat and the DIP Agent have consented to the sale of the Purchased Assets, which satisfies section 363(f)(2) of the Bankruptcy Code with respect to those entities.

34. With respect to the Mechanic's Liens, as detailed in Twenty Fourth Report of the Monitor attached hereto as **Exhibit C** (the "Monitor's Report"), the Monitor has conducted an analysis of the validity and priority of those liens. U.S. counsel to the Monitor advised that each of Lord and Vega may have failed to take certain steps in the time required under applicable California law to preserve its Mechanic's Lien on the Property. *See* Monitor's Report ¶¶ 93-101. Further, notwithstanding this uncertainty as to the validity of the Mechanic's Liens, the Monitor understands that under California law, the relative priority of a mortgage vis-à-vis a mechanic's lien is based on the date of registration of mortgage and the date on which the mechanic's lien

[5] As detailed in the Monitor's Report, the Tax Liens have priority over all other liens registered against the Property. Prior to the Monitor's receipt of the proceeds of sale upon closing of the transaction, the designated escrow agent will remit such amounts directly to the relevant tax authorities and the Tax Liens will be released.

claimant began performing the relevant work on the Property. *See* Monitor's Report ¶ 102. As noted in the Declaration, each of Lord and Vega commenced work on the Property after Roynat recorded its mortgage. *See* Declaration ¶ 14. Therefore, the Monitor has concluded that Roynat's mortgage, which secures obligations owed to Roynat in excess of the Purchase Price, has priority over each of the Mechanic's Liens. *See* Monitor's Report ¶¶ 104, 105, 107-108. As such, the proceeds of the proposed sale of the Purchased Assets to the Purchaser are insufficient to satisfy the amounts purportedly secured by the Mechanic's Liens. *See* Monitor's Report ¶ 106.

35. The Bankruptcy Code provides a mechanism under section 363(f)(5) whereby a court may approve a sale free and clear out-of-the-money junior liens, which provides:

> "(f) the trustee may sell property under section subsection (b) or (c) of this section free and clear of any interest in such property of an entity other than the estate, only if—(5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest."

36. Several courts have concluded that the availability of a hypothetical foreclosure proceeding under state law satisfies the requirements under section 363(f)(5) of the Bankruptcy Code for allowing a sale free and clear of junior liens, notwithstanding that the proceeds may be insufficient to satisfy all junior liens. *See, e.g.*, *In re Urban Commons 2 W. LLC*, No. 22-11509, 2025 Bankr. LEXIS, at 12-13* (Bankr. S.D.N.Y. Mar. 4, 2025) (availability of foreclosure proceeding under New York law satisfies 363(f)(5)); *In re Boston Generating, LLC*, 440 B.R. 302, 333 (Bankr. S.D.N.Y. 2010) (availability of foreclosure proceeding under Massachusetts law satisfies 363(f)(5)); *In re Jolan Inc.*, 403 B.R. 866, 869-70 (Bankr. W.D. Wash. 2009) (availability of foreclosure proceeding under Washington law satisfies 363(f)(5)); *but see Dishi & Sons v. Bay Condos LLC*, 510 B.R. 696, 710 (S.D.N.Y. 2014) (holding that section 363(f)(5) is satisfied only when the owner of the property—as distinct from a lienholder—could compel the interest holder to accept a money satisfaction for its interest). As the court in *Urban Commons* reasoned, the

narrow reading of section 363(f)(5) espoused by the *Dishi* court is improper because it undercuts the purposes of the Bankruptcy Code's statutory scheme by allowing "holders of out-of-the-money junior liens [which would be extinguished for no value in a state foreclosure proceeding] . . . [to] retain their liens and potentially be able to enforce them against the buyer for full value, even though the value of their interest in the collateral is zero." *Urban Commons*, No. 2025 Bankr. LEXIS, at 16*.

37. Under California law, a non-judicial foreclosure remedy constitutes a "legal or equitable proceeding" under which the junior lienholders could be compelled "to accept a money satisfaction of such interest." *See Bank of America v. Graves*, 51 Cal. App. 4th 607, 611-12 (Cal. Ct. App. 1996) (finding that the purchaser at a non-judicial foreclosure sale under California law receives title under a trustee's deed free and clear of any right, title or interest of junior lienholders, who are left with unsecured deficiency claims to the extent there are no excess proceeds available to satisfy them). Section 363(f)(5) of the Bankruptcy Code is therefore satisfied with respect to each of the Mechanic's Liens because Lord and Vega could be compelled under California law to accept unsecured deficiency claims on account of their Mechanic's Liens given that the value of those liens is zero. *See Boston Generating, LLC*, 440 B.R. at 33.

38. For the same reasons, section 363(f)(1) is also satisfied with respect to each of the Mechanic's Liens. Section 363(f)(1) of the Bankruptcy Code provides:

> "(f) the trustee may sell property under section subsection (b) or (c) of this section free and clear of any interest in such property of an entity other than the estate, only if—(1) applicable nonbankruptcy law permits sale of such property free and clear of such interest."

39. Like section 363(f)(5), courts have found that section 363(f)(1) permits a debtor to stand in the shoes of a senior secured lender to exercise hypothetical foreclosure rights available under nonbankruptcy law and extinguish junior interests on a property. *See, e.g.*, *Southland*

Royalty Co. LLC v. Wamsutter LLC (In re Southland Royalty Co. LLC), 623 B.R. 64, 96-98 (Bankr. D. Del. 2020). The *Southland Royalty* court explicitly rejected the *Dishi* limitation that section 363(f)(1) applies only to situations where the owner of the asset may, under non-bankruptcy law, sell an asset free and clear, since the plain language of the statute creates no such limitations. *See id.* at 97-98. The court reasoned that the debtor may extinguish subordinated real property interests as permitted under nonbankruptcy law because any alternative reading "would place [the interest holder] in a better position than it would be outside of bankruptcy and encourage state law foreclosures and corresponding lift stay motions rather than the orderly process established by the Bankruptcy Code designed to maximize value for all stakeholders." Id. at 98.

40. Here, all existing liens, claims, encumbrances, or other interests that exist will attach to the proceeds of the Purchased Assets in the order of priority and with the same validity, force and effect that they have as against the Purchased Assets immediately prior to the Sale Agreement. Accordingly, the Foreign Representative submits that the sale of the Purchased Assets free and clear of all liens, claims, encumbrances and other interests satisfies the statutory requirements of section 363(f) of the Bankruptcy Code.

III. The Court Should Afford Purchasers All Protections under Sections 363(m) of the Bankruptcy Code

41. The Foreign Representative also requests that the Purchaser receive the protections set forth in sections 363(m) and (n) of the Bankruptcy Code. Specifically, section 363(m) of the Bankruptcy Code provides:

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

11 U.S.C. § 363(m). While the Bankruptcy Code does not define "good faith," courts have stated that "the phrase encompasses one who purchases in 'good faith' and for 'value.'" *In re Abbots Dairies of Pa.*, 788 F.2d at 147. Courts have held that in order to demonstrate a lack of good faith, a party would have to show "fraud or collusion between the purchaser and [seller] or an attempt to take grossly unfair advantage [of other potential purchasers.]" *Id*.

42. Here, the Sale Agreement was entered into without fraud or collusion, and is the result of a marketing process undertaken by Fontana and its Broker, and the product of arm's-length, good-faith negotiations between the parties thereto. Fontana also did not enter into the Sale Agreement for the purpose of hindering, delaying, or defrauding present or future creditors of Fontana. Accordingly, the Foreign Representative seeks a finding that the Purchaser is a good faith purchaser under section 363(m) of the Bankruptcy Code and has not violated section 363(n) of the Bankruptcy Code.

WAIVER OF BANKRUPTCY RULE 6004(h)

43. The Foreign Representative also requests that the Court waive the stay imposed by Bankruptcy Rule 6004(h), which provides that "[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise." Fed. R. Bankr. P. 6004(h). As described above, the anticipated closing date under the Sale Agreement is on or about May 13, 2025, and time is of the essence with respect to closing. Accordingly, the Foreign Representative respectfully requests that the Court waive the fourteen-day stay imposed by Bankruptcy Rule 6004(h).

NOTICE

44. The Foreign Representative has provided notice of this Motion consistent with the Bankruptcy Code, Bankruptcy Rules and Local Rule 9006-1, including to all known lienholders. The Foreign Representative submits that such notice is sufficient in view of the facts and circumstances, and no other or further notice need be provided.

CONCLUSION

WHEREFORE, the Foreign Representative respectfully requests that the Court enter the Sale Order, substantially in the form attached as **Exhibit A**, granting the requested relief and such other and further relief as may be just and proper.

Dated: April 9, 2025
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Austin T. Park

Derek C. Abbott (No. 3376)
Andrew R. Remming (No. 5120)
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- and -

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Attorneys for the Foreign Representative

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 15
Pride Group Holdings Inc., *et al.*[1]	Case No. 24-10632 (CTG)
Debtors in Foreign Proceedings.	(Jointly Administered)
	Hearing Date: **TBD**
	Objection Deadline: **April 23, 2025 at 4:00 p.m. (ET)**

NOTICE OF MOTION OF THE FOREIGN REPRESENTATIVE FOR ENTRY OF AN ORDER (I) AUTHORIZING THE SALE OF PROPERTY OF DEBTOR VALLEY BOULEVARD FONTANA HOLDING CORP. FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS AND (II) GRANTING RELATED RELIEF

PLEASE TAKE NOTICE that on April 9, 2025, Randall Benson, solely in his capacity as the duly authorized foreign representative (the "Foreign Representative") of the above-captioned debtors (collectively, the "Debtors") filed the *Motion of the Foreign Representative for Entry of an Order (I) Authorizing the Sale of Property of Debtor Valley Boulevard Fontana Holding Corp. Free and Clear of Liens, Claims, Encumbrances and Other Interests and (II) Granting Related Relief* (the "Motion").

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Motion must (a) be in writing; (b) be filed with the Clerk of the Bankruptcy Court, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801, on or before **April 23, 2025, at 4:00 p.m. (ET)** (the "Objection Deadline"); and (c) be served so as to be received on or before the Objection Deadline by counsel for the Foreign Representative, Linklaters LLP, 1290 Avenue of the Americas, New York, New York 10104 (Attention: Penelope J. Jensen, Esq. and Christopher J. Hunker, Esq.) and Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market St., 16th Floor, P.O. Box 1347, Wilmington, Delaware 19801 (Attention: Derek C. Abbott, Esq. and Andrew R. Remming, Esq.).

PLEASE TAKE FURTHER NOTICE that a hearing to consider the Motion will be held **at a date and time to be determined** before the Honorable Craig T. Goldblatt, United States Bankruptcy Judge for the District of Delaware.

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[1] The last four digits of Debtor Pride Group Holdings Inc.'s Canadian business number are 6399. Due to the large number of debtors in these chapter 15 cases, a complete list of the debtor entities and the last four digits of their federal identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at https://dm.epiq11.com/pridegroup. The Debtors' service address for the purposes of these chapter 15 cases is 1450 Meyerside, Suite 401, Mississauga, Ontario, L5T 2N5, Canada.

PLEASE TAKE FURTHER NOTICE that only objections made in writing and timely filed and received, in accordance with the procedures above, will be considered by the Bankruptcy Court at such hearing.

PLEASE TAKE FURTHER NOTICE THAT, IF NO OBJECTIONS TO THE MOTION ARE TIMELY FILED IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: April 9, 2025
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Austin T. Park

Derek C. Abbott (No. 3376)
Andrew R. Remming (No. 5120)
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- and -

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Attorneys for the Foreign Representative

Exhibit A

Sale Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re Pride Group Holdings Inc., *et al.*[1] Debtors in Foreign Proceedings.	Chapter 15 Case No. 24-10632 (CTG) (Jointly Administered) **Re: D.I. __**

ORDER (I) AUTHORIZING THE SALE OF PROPERTY OF DEBTOR VALLEY BOULEVARD FONTANA HOLDING CORP. FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS AND (II) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of Randall Benson, solely in his capacity as the duly authorized foreign representative (the "Foreign Representative") of the above-captioned debtors (the "Debtors") in the Canadian proceedings (the "CCAA Proceedings") commenced under the Companies' Creditors Arrangement Act, pending before the Ontario Superior Court of Justice (Commercial List) in Ontario, Canada, Court File No. CV-24-00717340-00CL (the "Canadian Court"), for entry of an order (this "Order") pursuant to sections 105(a), 363, 1501, 1507, 1514, 1520 and 1521 of title 11 of the United States Code (the "Bankruptcy Code"), Rules 2002, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Local Rule 6004-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"): (i) authorizing, under section 363 of the Bankruptcy Code, the sale of certain property owned by Debtor Valley Boulevard Fontana Holding

[1] The last four digits of Debtor Pride Group Holdings Inc.'s Canadian business number are 6399. Due to the large number of debtors in these chapter 15 cases, a complete list of the debtor entities and the last four digits of their unique identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' noticing agent at https://dm.epiq11.com/pridegroup. The Debtors' service address for the purposes of these chapter 15 cases is 1450 Meyerside, Suite 401, Mississauga, Ontario, L5T 2N5, Canada.

[2] Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Motion.

Corp. ("Fontana") pursuant to the sale agreement attached as Exhibit B to the Motion free and clear of liens, claims, encumbrances and other interests and (ii) granted related relief, all as more fully set forth in the Motion; and upon this Court's review and consideration of the Declaration and all other pleadings filed by or on behalf of the Foreign Representative in support of the Motion; and, if necessary, this Court having held a hearing to consider the relief requested in the Motion (the "Hearing"); and due and proper notice of the Motion and all pleadings in support of the Motion having been provided and no other or further notice being necessary or required; and no objections or other responses having been filed that have not been overruled, withdrawn, or otherwise resolved; and all interested parties having had an opportunity to be heard at the Hearing, if any; and after due deliberation and sufficient cause appearing therefor, **THIS COURT HEREBY FINDS AND DETERMINES THAT:**

A. The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012.

C. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).

D. Venue is proper in this district pursuant to 28 U.S.C. § 1410.

E. Good and sufficient notice of the relief granted by this Order has been given, and no other or further notice is required. A reasonable opportunity to object or be heard regarding the

relief granted by this Order has been afforded to parties entitled to notice pursuant to the Bankruptcy Rules and the Local Rules.

F. The Foreign Representative has demonstrated that entry into, and consummation of the transactions contemplated by, the Sale Agreement is a reasonable exercise of the Foreign Representative's business judgment and is in the best interests of the Debtors and their creditors.

G. The transfer of the Purchased Assets to the Purchaser pursuant to the Sale Agreement shall be legal, valid and effective and shall vest the Purchaser with all right, title and interest of Fontana to the Purchased Assets free and clear of all liens, claims, encumbrances and other interests. One or more of the standards set forth in sections 363(f)(1)-(5) of the Bankruptcy Code have been satisfied.

H. The Purchaser is a good faith purchaser for value, is entitled to all of the protections afforded under section 363(m) of the Bankruptcy Code and has otherwise acted in good faith in connection with the Sale Agreement. Specifically, (a) the Purchaser is not an "insider" of the Debtors, as that term is defined in the Bankruptcy Code; (b) the Sale Agreement was negotiated at arm's-length and in good faith; (c) the Purchaser did not in any way induce or cause the filing of these chapter 15 cases; (d) the consideration provided by the Purchaser under the Sale Agreement is fair and reasonable; and (e) the Sale Agreement is not the result of fraud or collusion. Neither the Foreign Representative nor the Purchaser has engaged in any conduct that would cause or permit the Sale Agreement to be avoided or result in the imposition of any costs or damages under section 363(n) of the Bankruptcy Code.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.

2. Pursuant to section 363(b) of the Bankruptcy Code, the Foreign Representative is authorized to transfer the Purchased Assets to the Purchaser pursuant to the terms of the Sale Agreement and to take all other actions necessary to consummate the Sale Agreement.

3. Pursuant to section 363(f) of the Bankruptcy Code, the Purchased Assets shall be transferred free and clear of all liens, claims, encumbrances and other interests, and any liens, claims, encumbrances and other interests in and to the Purchased Assets shall attach to the proceeds of the sale of the Purchased Assets in the order of priority and with the same validity, force and effect that they have as against the Purchased Assets immediately prior to the closing of the transactions under the Sale Agreement.

4. The Purchaser is a good faith buyer within the meaning of section 363(m) of the Bankruptcy Code and is entitled to the full protections of section 363(m) of the Bankruptcy Code. The reversal or modification on appeal of the authorization provided herein to consummate the Sale Agreement shall not affect the validity of the Sale Agreement, unless such authorization and consummation of the Sale Agreement is duly and properly stayed pending such appeal.

5. The proceeds of the Purchased Assets will be distributed in accordance with a further order of the Canadian Court.

6. Notwithstanding Bankruptcy Rule 6004(h) or any other provision in the Bankruptcy Rules or Local Rules to the contrary: (i) the terms of this Order shall be immediately effective and enforceable upon its entry; (ii) the Foreign Representative is not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order and (iii) the Foreign Representative may, in its discretion and without further delay, take any action and perform any act authorized under this Order, the Canadian Orders, or other order of the Canadian Court, including, without limitation, taking any actions or executing any documents the Foreign

Representative (acting on behalf of the Debtors) believes appropriate in furtherance of, or in connection with, the consummation of the Sale Agreement or the implementation of this Order.

7. This Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the Motion or the implementation of this Order.

Exhibit B

Sale Agreement

PURCHASE AND SALE AGREEMENT

by and between

VALLEY BOULEVARD FONTANA HOLDING CORP., Seller

and

DUFF REAL ESTATE, LLC, Purchaser

dated as of

January 22, 2025

This PURCHASE AND SALE AGREEMENT (this "**Agreement**"), dated as of the 22nd day of January, 2025 (the "**Effective Date**"), is entered into between VALLEY BOULEVARD FONTANA HOLDING CORP. ("**Seller**"), and DUFF REAL ESTATE, LLC ("**Purchaser**"). The terms "**Party**" and "**Parties**" include Seller, Purchaser, their respective constituent entities and their respective successors, assigns, and legal representatives. In the event either Seller or Purchaser is an individual, a "Party" or "Parties" includes that individual's heirs.

RECITALS

WHEREAS, Seller is the owner of the Property (as defined below);

WHEREAS on March 27, 2024, Seller was granted creditor protection pursuant to an Order granted by the Ontario Superior Court of Justice (Commercial List) (the "**Canadian Court**") (as amended and restated from time to time, the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36, as amended (the "**CCAA Proceedings**");

WHEREAS pursuant to the Initial Order, Ernst & Young Inc. was appointed as Monitor of Seller (in such capacity, the "**Monitor**") under the CCAA Proceedings and R.C. Benson Consulting Inc., was appointed as Chief Restructuring Officer (in such capacity, the "**CRO**");

WHEREAS on April 5, 2024, the Court granted the Protocols Order which approved a real estate monetization plan (as amended and restated from time to time, the "**Protocols Order**");

WHEREAS the Initial Order and the Protocols Order were recognized by the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**") under Chapter 15 of Title 11 of the United States Code (the "**Chapter 15 Proceedings**");

WHEREAS pursuant to the Initial Order and the Protocols Order, Seller, in consultation with the Monitor and CRO, is authorized to market and sell any or all of the real property of Seller, and negotiate such terms and conditions of sale as they may deem appropriate;

WHEREAS, subject to the terms and conditions hereof, Seller desires to sell to Purchaser the Property and Purchaser desires to purchase the Property from Seller; and

WHEREAS capitalized terms used but not otherwise defined herein shall have the meanings given to them in Schedule "A" attached hereto.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
PURCHASE AND SALE

Section 1.01 The Property. Seller agrees to sell to Purchaser and Purchaser agrees to purchase from Seller in accordance with the terms and conditions of this Agreement, all of Seller's right, title and interest in and to the following described property (collectively referred to as the "**Property**"):

(a) The real property, including all right, title, and interest therein, located at 15762 Valley Blvd., Fontana, CA 91739 more particularly described on Schedule "B" attached hereto and incorporated herein by this reference (the "**Real Property**").

(b) All rights, privileges, easements, and rights-of-way appurtenant to said Real Property, including without limitation, all mineral, oil and gas and other subsurface rights, development rights, air rights, and water rights (collectively, the "**Appurtenances**").

(c) All improvements and fixtures located on the Real Property, including, without limitation: (i) all structures affixed to the Real Property; (ii) all apparatus, equipment, and appliances used in connection with the operation or occupancy of the Real Property; and (iii) all facilities used to provide any services to the Real Property and/or the structures affixed thereto (collectively, the "**Improvements**"), excluding those fixtures owned by Tenants or other occupants of the Property or vendors of the Improvements, if any.

(d) All tangible personal property owned by Seller and located on the Real Property or the Improvements and used solely in connection therewith (collectively, the "**Personal Property**"). Notwithstanding the foregoing, the Personal Property described on Schedule A to the Bill of Sale (collectively the "**Excluded Property**") shall not be included in the sale of the Property as described herein.

(e) All rights, title, and interest of Seller in and to any and all written agreements including, without limitation, personal property leases and contracts (other than the Leases) to which Seller is a party and which affect the Property to the extent assignable without the consent of third parties, unless Purchaser notifies Seller during the Due Diligence Period that Seller will not assume one or more of such Contracts (collectively, the "**Assumed Contracts**").

(f) All rights, warranties, guarantees, utility contracts, approvals (governmental or otherwise), permits, certificates of occupancy, surveys, plans and specifications, trademarks or tradenames, copyrights, and any agreements, covenants, or indemnifications that Seller received from a third party, including any prior owner, and relating to the Real Property, Appurtenances, or Improvements (collectively, the "**Intangible Property**").

(g) All rights, title, and interest of Seller in and to all Tenant leases, lease amendments, guarantees, exhibits, addenda, and riders thereto and any other documents creating a possessory interest in the Real Property or Improvements with any Persons leasing, using, or occupying the Real Property or Improvements or any part of either (collectively, the "**Leases**").

Notwithstanding anything herein to the contrary, "**Property**" does not include any tenant fixtures or other property belonging to Tenants of the Property, or any item leased from third parties.

Section 1.02 Assumed Liabilities. Subject to the terms and conditions set forth herein, Purchaser (or any person designated by Purchaser) shall assume and agree to pay, perform and discharge when due the following liabilities and obligations of Seller arising out of or relating to the Property on or after the Closing (collectively the "**Assumed Liabilities**"):

(a) All liabilities and obligations arising under or relating to the Assumed Contracts, but solely to the extent such liabilities and obligations first accrue and are to be performed on or after the Closing;

(b) All liabilities and obligations arising under or relating to the Assumed Contracts (as distinct from curing all defaults or failures to comply with provisions thereunder that may not be cured by the mere payment of money, which obligation is not assumed by Purchaser and is specifically excluded from the Assumed Liabilities): (i) accruing or arising at any time prior to or after the Petition Date or (ii) arising from or relating to any act, event, or occurrence prior to the Petition Date that are required to be paid pursuant to § 365 of the Bankruptcy Code in order to assume and assign the Assumed Contracts to Purchaser;

(c) All other liabilities and obligations arising out of or relating to Purchaser's ownership or operation of the Property on or after the Closing;

(d) Liabilities and obligations apportioned to Purchaser hereunder; and

(e) Permitted Exceptions and Permitted Encumbrances.

ARTICLE II
PURCHASE PRICE AND DEPOSIT

Section 2.01 Purchase Price. Purchaser shall pay to First American Title Insurance Company – NCS Chicago Office (the "**Escrow Agent**")), the sum of Seventeen Million Six Hundred Fifty Thousand and 00/100 United States Dollars ($17,650,000.00 USD) (the "**Purchase Price**"), subject to such apportionments, adjustments, and credits as are provided for in this Agreement.

Section 2.02 Payment of Purchase Price. Purchaser shall pay the Purchase Price as follows:

(a) The sum of Eight Hundred Eighty-Two Thousand Five Hundred and 00/100 United States Dollars ($882,500.00 USD) (together with any interest earned thereon, collectively, the "**Earnest Money Deposit**"), within three (3) business days after the date of execution of this Agreement, by wire transfer, payable to the Escrow Agent, in trust, which shall be applied against the Purchase Price on the Closing Date.

(b) The balance of the Purchase Price shall be paid to the Escrow Agent on or before the Closing Date, simultaneously with the delivery of the Conveyance Deed, by federal funds wire transfer of immediately available funds to an account at such bank or banks as shall be designated by the Monitor in writing.

Section 2.03 Earnest Money Deposit.

(a) The Earnest Money Deposit shall be held, pending Closing, by the Escrow Agent in an interest-bearing account with a third-party financial institution.

(b) In the event Purchaser fails to deposit the Earnest Money Deposit with the Escrow Agent in accordance with this Agreement, this Agreement shall automatically terminate, without the need for further notice or instruction.

(c) If the Closing does not occur by reason of a uncured default of Purchaser (including if any of the representations and/or warranties of Purchaser as set forth in this Agreement are found to be false at Closing), the full amount of the Earnest Money Deposit (plus accrued interest), less any applicable withholding Taxes, shall be forfeited by the Purchaser and become the property of Seller, and shall be released by the Monitor (or Escrow Agent) to Seller as liquidated damages and not as a penalty as Seller's sole and exclusive remedy.

(d) If the Closing does not occur for any reason other than that expressed in Section 2.03(c) above, the full amount of the Earnest Money Deposit (plus accrued interest), less any applicable withholding Taxes, shall be returned by the Monitor to Purchaser.

(e) Purchaser hereby acknowledges and agrees that the Earnest Money Deposit held by the Monitor (or Escrow Agent) does not and shall not constitute property of the estate of Purchaser within the meaning of Section 541 of title 11 of the United States Code, or substantially similar provisions of state law (the "**Bankruptcy Code**"), and Purchaser's interest in such Earnest Money Deposit is limited to the right to have the Earnest Money Deposit returned if and when the conditions for the return of the Earnest Money Deposit to Purchaser are satisfied as set forth herein. Purchaser hereby acknowledges and agrees that the proper release of the Earnest Money Deposit to Seller as provided hereunder shall not be a violation of any provision of the Bankruptcy Code, including, without limitation, Section 362 of the Bankruptcy Code, or require the approval of any court with jurisdiction over any case in which Purchaser or any affiliate of Purchaser is a debtor. Purchaser hereby waives any provision of the Bankruptcy Code necessary to invoke the foregoing, including, without limitation, Sections 105 and 362, and waives any right to defend against any motion for relief from the automatic stay that may be filed by Seller.

(f) The Earnest Money Deposit shall be held and disbursed by Escrow Agent in accordance with the provisions set forth in Schedule "D" attached hereto.

(g) This section shall survive termination of this Agreement.

Section 2.04 No Financing Contingency. Purchaser expressly agrees and acknowledges that Purchaser's obligations to pay the Purchase Price and otherwise consummate the Transaction

are not in any way conditioned upon Purchaser's ability to obtain financing of any type or nature whatsoever, whether by way of debt financing or equity investment, or otherwise.

ARTICLE III
ACCESS

Section 3.01 Property Investigation Period. Purchaser shall have a period, commencing on the Effective Date through the date which is thirty (30) days thereafter (the "**Due Diligence Period**"), to review the Property (including conducting such tests, studies, surveys, and/or other physical inspections of the Property as Purchaser deems necessary or appropriate) and all information relating thereto (the "**Inspections**"). Purchaser agrees to provide a copy of the current survey (the "**Existing Survey**"). Subject to Section 3.03 below, Purchaser's Inspections may encompass such matters as, without limitation, title and survey, environmental conditions, soil conditions, siting, access, traffic patterns, competition, financing, economic feasibility, platting, zoning, leasing status, and matters involving governmental cooperation. If Purchaser is dissatisfied with the Property for any reason or no reason whatsoever, then Purchaser shall have the right to terminate this Agreement upon written notice to Seller, the Monitor and Escrow Agent delivered at any time prior to 11:59 p.m. (Prevailing Time Zone Time) on the last day of the Due Diligence Period, in which event the Earnest Money Deposit shall be returned to Purchaser, this Agreement shall terminate, and the parties shall have no further liability hereunder (except with respect to those obligations hereunder which survive the termination of this Agreement). In the event Purchaser does not so notify Seller, the Monitor and Escrow Agent of its election to terminate this Agreement prior to 11:59 p.m. (Prevailing Time Zone Time) on the last day of the Due Diligence Period, Purchaser shall be deemed to have elected to proceed to Closing, subject to the terms and conditions of this Agreement. If Purchaser elects to terminate this Agreement as provided in this section, the Monitor (or the Escrow Agent) shall return the Earnest Money Deposit to Purchaser, upon such refund being made this Agreement shall terminate, and the parties shall have no further liability hereunder (except with respect to those obligations hereunder which survive the termination of this Agreement).

Section 3.02 Purchaser's Access. At any time prior to the Closing (including during the Due Diligence Period), Purchaser and its agents, employees, consultants, inspectors, appraisers, engineers, and contractors (collectively, "**Purchaser's Representatives**") shall have the right to enter upon and pass through the Property during normal business hours. However, any and all reasonable tests, studies, investigations, and surveys Purchaser wishes to complete and/or undertake must be completed during, and before the expiration of, the Due Diligence Period,. Seller shall not unreasonably withhold and/or delay in provide written consent to Buyer to perform any such testing during the Due Diligence Period. Seller is not obligated to permit, nor is Purchaser permitted to conduct, any tests, studies, investigations, and/or surveys on the Property after the expiration of the Due Diligence Period. Once the Due Diligence Period has expired, Purchaser shall be limited to a total of three (3) inspections of and/or visits to the Property until Closing, and all such inspections/visits shall be during regular business hours with at least forty-eight (48) hour's advanced notice to Seller.

Section 3.03 Purchaser's Right to Inspect.

(a) In conducting any inspection of the Property or otherwise accessing the Property, Purchaser shall at all times: (i) comply with all laws and regulations of all applicable governmental authorities; and (ii) maintain commercial general liability insurance in the amount of One Million Dollars ($1,000,000.00 USD), shall name Seller as an additional insured under all such applicable polices, shall provide evidence of all such insurance to Seller within two (2) days prior to Purchaser's or Purchaser's Representatives first entry onto the Property to conduct any inspection. In addition, while conducting any inspection of the Property or otherwise accessing the Property, neither Purchaser nor any of Purchaser's Representatives shall: (A) contact or have any discussions with any of Seller's or Seller's affiliates, employees, agents, or representatives (other than Seller's Broker and Seller's attorneys), or with any Tenants or occupants at, or contractors providing services to, the Property, unless, in each case, Purchaser obtains the prior written consent of Seller, which consent may be withheld or conditioned in Seller's sole discretion; (B) interfere with the business of Seller (or any of its Tenants) conducted at the Property or disturb the use or occupancy of any occupant of the Property other than, in each case, to a *de minimis* extent; or (C) subject to the provisions set forth below in Section 3.04, damage the Property. In conducting the foregoing inspection or otherwise accessing the Property, Purchaser and Purchaser's Representatives shall at all times comply with, and shall be subject to, the rights of the Tenants under the Leases (and any Persons claiming under or through such Tenants). Seller may from time to time establish reasonable rules of conduct for Purchaser and Purchaser's Representatives in furtherance of the foregoing.

(b) Purchaser shall schedule and coordinate all inspections of the Property or other access thereto with Seller and shall give Seller at least three (3) Business Days' prior notice thereof. Seller and/or the Monitor shall be entitled to have a representative present at all times during each such inspection or other access. Purchaser agrees to pay to Seller promptly upon demand the cost of repairing and restoring any damage or disturbance that Purchaser or Purchaser's Representatives shall cause to the Property. All inspection fees, appraisal fees, engineering fees, and other costs and expenses of any kind incurred by Purchaser or Purchaser's Representatives relating to such inspection and its other access shall be at the sole expense of Purchaser.

(c) In the event that the Closing hereunder shall not occur for any reason whatsoever, Purchaser shall promptly return to Seller copies of all due diligence materials delivered by Seller to Purchaser and shall destroy all copies and abstracts thereof. Purchaser and Purchaser's Representatives shall not be permitted to conduct borings of the Property or drilling in or on the Property, or any other invasive testing, in connection with the preparation of an environmental audit or in connection with any other inspection of the Property without the prior written consent of Seller, which consent may not be unreasonably withheld, conditioned or delayed (and, if such consent is given, Purchaser shall be obligated to pay to Seller promptly upon demand the cost of repairing and restoring any damage as aforesaid). The provisions of this Section 3.03(c) shall survive the Closing or any termination of this Agreement.

Section 3.04 Seller Indemnification. Purchaser agrees to indemnify and hold Seller and its disclosed or undisclosed, direct and indirect shareholders, officers, directors, trustees, partners, principals, members, employees, agents, affiliates, representatives, consultants, accountants, contractors, and attorneys or other advisors, and any successors or assigns of the foregoing (collectively with Seller, the "**Seller Related Parties**"), harmless from and against any and all losses, costs, damages, liens, Claims, liabilities, or expenses (including, but not limited to, reasonable attorneys' fees, court costs, and disbursements) incurred by any Seller Related Parties arising from or by reason of Purchaser's and/or Purchaser's Representatives' access to, or inspection of, the Property, or any tests, inspections, or other due diligence conducted by or on behalf of Purchaser, except to the extent such losses, costs, damages, liens, Claims, liabilities, or expenses are caused by the mere discovery of a pre-existing condition at the Property or are caused by the gross negligence or willful misconduct of any of the Seller Related Parties. The provisions of this Section 3.04 shall survive the Closing or any termination of this Agreement.

ARTICLE IV
CLOSING

Section 4.01 Closing; Closing Date. The closing of the Transaction (the "**Closing**") shall occur remotely before 5:00 p.m. Prevailing Time Zone Time on the sixtieth (60th) day following the expiration of the Due Diligence Period (the "**Closing Date**") in accordance with the terms and conditions of this Agreement. Purchaser and Seller agree to provide the Monitor (or Escrow Agent) with all documents, payments, and other items needed for the Closing on or before the Closing Date. Purchaser acknowledges and agrees that **TIME SHALL BE OF THE ESSENCE** with respect to the performance by Purchaser of its obligations to purchase the Property, pay the Purchase Price, and otherwise consummate the Transaction on the Closing Date.

ARTICLE VError! Bookmark not defined.
TITLE MATTERS

Section 5.01 "As Is, Where Is". The Property shall be sold, assigned and conveyed by Seller to Purchaser on an "as is, where is" basis, and Purchaser shall accept and assume same subject only to the Permitted Encumbrances.

Section 5.02 Title.

(a) Title to the Property shall be conveyed in fee simple, subject to the terms of the Approval and Vesting Order(s), subject only to the Permitted Encumbrances.

(b) Purchaser shall promptly order from First American Title Insurance Company, 200 West Madison Street, Suite 800, Chicago, Illinois 60606, Attention: James W. McIntosh and April Muiser, Phone No. (312) 917-7220, Email: jmcintosh@firstam.com; amuiser@firstam.com (the "**Title Company**"), a title commitment for an ALTA title insurance policy (the "**Title Report**") and an update to the Existing Survey (the "**Survey**") and shall cause a copy of the Title Report and Survey to be delivered to Seller concurrently with the delivery thereof to Purchaser no later than 5:00 p.m. (Prevailing Time Zone Time) not later than the date on which the Due Diligence

Period expires (the "**Title Report Objection Date**"). Purchaser shall furnish to Seller written notice (the "**Title Report Objection Notice**") specifying any exceptions to title to the Property set forth in the Title Report or shown on the Survey which are not Permitted Exceptions (each, a "**Title Objection**"). Purchaser's failure to timely deliver the Title Report Objection Notice on or prior to 5:00 p.m. (Prevailing Time Zone Time) on the Title Report Objection Date shall constitute Purchaser's irrevocable acceptance of the Title Report and Purchaser shall be deemed to have unconditionally waived any right to object to any matters set forth therein (and all of the exceptions to title in the Title Report shall be deemed Permitted Exceptions). If, after giving the Title Report Objection Notice to Seller, Purchaser receives a continuation report or any update to the Survey showing any new exceptions to title to the Property which are not Permitted Exceptions, Purchaser shall give written notice thereof to Seller no later than 5:00 p.m. (Prevailing Time Zone Time) on the date that is seven (7) Business Days after the date Purchaser receives such continuation report. If Purchaser fails to give Seller such notice, Purchaser shall be deemed to have unconditionally waived any additional matters as to which it fails to give such notice to Seller (and all of the exceptions to title in the Title Report and Survey shall be deemed Permitted Exceptions). Purchaser hereby acknowledges and agrees that **TIME IS OF THE ESSENCE** with respect to all time periods relating to Purchaser's obligations as set forth in this Article V.

(c) Any exceptions in the Title Report, if any, or any continuation title report, or any update to the Survey, not timely objected to by Purchaser with a Title Report Objection Notice shall be deemed to have been approved by Purchaser, other than those items Seller is obligated to remove pursuant to Section 5.05 hereof. Upon Purchaser's delivery of a Title Report Objection Notice, Seller may elect, in its sole discretion, to remove (or otherwise modify or cure in a manner reasonably satisfactory to Purchaser) said disapproved item or items at or prior to the Close Date, by delivering written notice of such election to Purchaser not later than five (5) days following the date Seller receives a Title Report Objection Notice. If Seller does not notify Purchaser in writing that Seller will eliminate (or otherwise cure) such disapproved exceptions or matters by 5:00 p.m. (Prevailing Time Zone Time) on the fifth (5^{th}) day of such five (5) day period, Seller shall be deemed to have elected not to remove (or otherwise cure) such exception and Purchaser shall have until 5:00 p.m. (Prevailing Time Zone Time) on the fifth (5^{th}) day after Seller provides notice that it will not cure, or is deemed to have elected not to cure, to terminate this Agreement by written notice to Seller and the Monitor (and Escrow Agent), in which event Purchaser shall be entitled to a return of the Earnest Money Deposit, and this Agreement shall thereupon be deemed terminated and of no further effect, and neither party hereto shall have any obligations to the other hereunder or by reason hereof, except for the provisions hereof that expressly survive termination of this Agreement. If Purchaser fails to so terminate this Agreement, Purchaser shall be deemed to have withdrawn its disapproval and approved such exceptions and such exceptions shall be deemed Permitted Exceptions, except for any such exceptions Seller has agreed to, or as required by this Agreement to, cure.

(d) For the avoidance of doubt, Purchaser and Seller hereby acknowledge and agree that Purchaser shall only have the right to object to those exceptions to title disclosed

on Schedule B of the Title Report or shown on the Survey that are not Permitted Exceptions. As used herein, "**Permitted Exceptions**" shall mean any Permitted Encumbrances, and any liens, encumbrances, or other title exceptions: (i) which the Title Company is willing to omit as exceptions to title (without additional cost to Purchaser or where Seller pays such cost for Purchaser); and (ii) which shall be extinguished on or before the transfer of the Property (collectively, the "**Non-Objectionable Encumbrances**").

Section 5.03 Seller Unable to Convey.

(a) If, on the Closing Date, Seller fails or is unable to convey title to the Property to Purchaser subject to and in accordance with the provisions of this Agreement, Seller and Purchaser shall have the following rights and obligations:

(i) Seller shall be entitled to reasonable adjournments of the Closing one or more times for a period not to exceed thirty (30) days in the aggregate to enable Seller to convey such title to the Property, upon written notice delivered to Purchaser on or prior to the Closing Date;

(ii) If Seller does not so elect to adjourn the Closing, and on the Closing Date, fails or is unable to convey title subject to and in accordance with the provisions of this Agreement, Purchaser shall be entitled, to either: (A) terminate this Agreement by written notice to Seller and the Monitor (and Escrow Agent) delivered within two (2) Business Days after the Closing Date, in which event Purchaser shall be entitled to a return of the Earnest Money Deposit, and this Agreement shall thereupon be deemed terminated and of no further effect, and neither party hereto shall have any obligations to the other hereunder or by reason hereof, except for the provisions hereof that expressly survive termination of this Agreement; or (B) subject to Seller's receipt of the Approval and Vesting Order, complete the purchase (with no reduction in the Purchase Price) with such title as Seller is able to convey on the Closing Date. If Purchaser shall fail to give such notice as aforesaid, Purchaser shall be deemed to have elected clause (A) above;

(iii) If Seller elects to adjourn the Closing as provided in Section 5.03(a)(i) above, this Agreement shall remain in effect for the period or periods of adjournment, in accordance with its terms. If, on the Closing Date, Seller fails or is unable to convey title to the Property subject to and in accordance with the provisions of this Agreement, within two (2) Business Days after the Closing Date, Purchaser shall make its election between clauses (A) and (B) of Section 5.03(a)(ii) above, by written notice to Seller. If Purchaser shall fail to give such notice as aforesaid, Purchaser shall be deemed to have elected clause (A) of Section 5.03(a)(ii) above; and

(b) Notwithstanding anything to the contrary contained in this Agreement, Seller shall not be required to take or bring any action or proceeding or any other steps to remove any defect in or objection to title or to fulfill any condition precedent to Purchaser's obligations under this Agreement or to expend any moneys therefor, nor shall Purchaser

have any right of action against Seller therefor, at law or in equity, except that Seller shall, on or prior to the Closing, pay, discharge, or remove of record, or cause any Voluntary Lien to be paid, discharged, or removed of record, at Seller's sole cost and expense. The term "**Voluntary Lien**" as used herein shall mean all Leases, and any lien and other encumbrances (other than Permitted Exceptions and Permitted Encumbrances) which: (i) Seller has knowingly and intentionally placed (or allowed to be placed) on the Property, including, without limitation, mortgages and construction liens; (ii) are in a liquidated amount; and (iii) may be satisfied solely by the payment of money. For all Voluntary Liens, other than Leases, mortgages and construction liens, Seller shall have no obligation to pay, discharge, or remove of record Voluntary Liens.

Section 5.04 Title As Seller Can Convey. Notwithstanding anything in Section 5.03 above to the contrary, Purchaser may at any time accept such title as Seller can convey, without reduction of the Purchase Price or any credit or allowance on account thereof or any claim against Seller. The acceptance of the Conveyance Deed by Purchaser shall be deemed to be full performance of, and discharge of, every agreement and obligation on Seller's part to be performed under this Agreement, except for such matters which are expressly stated to survive the Closing hereunder.

Section 5.05 Liens and Other Encumbrances. If the Property shall, at the time of the Closing, be subject to any liens (such as for judgments or transfer, inheritance, estate, franchise, license, or other similar taxes), encumbrances, or other title exceptions which would be grounds for Purchaser to object to title hereunder, the same shall not be deemed an objection to title provided that, at the time of the Closing, either: (a) Seller, at Seller's discretion, delivers checks or other security at or before the Closing in the amount required to satisfy the same and delivers to Purchaser and/or the Title Company at the Closing, instruments in recordable form (and otherwise in form reasonably satisfactory to the Title Company in order to omit same as an exception to its title policy) sufficient to satisfy and discharge of record such liens and encumbrances together with the cost of recording or filing such instruments; or (b) the Title Company shall otherwise issue or bind itself to issue a policy which shall insure Purchaser against collection thereof from or enforcement thereof against the Property.

Section 5.06 Leases. Seller shall cause all Leases affecting the Property to be terminated prior to the Closing Date, and all Tenants to fully vacate the Property; Purchaser shall have no liability with regard to Seller's acts or omissions with respect to Leases and Tenants.

ARTICLE VI
CLOSING DELIVERIES

Section 6.01 Seller's Closing Deliveries. Seller shall deliver or cause to be delivered to the Title Company the following at the Closing, except as otherwise specified below:

(a) one (1) original grant deed (the "**Conveyance Deed**"), executed by Seller and acknowledged, and in recordable form, conveying to Purchaser the Real Property, Improvements, and Appurtenances, subject only to the Permitted Encumbrances;

(b) one (1) original bill of sale executed by Seller with respect to the Personal Property, Permits, Licenses and any Intangible Property, if any, in substantially the form attached hereto as Exhibit A (the "**Bill of Sale**").

(c) a copy of the Approval and Vesting Order(s) for registration by Purchaser on the Closing Date;

(d) a certificate in the form attached hereto as Exhibit B with respect to compliance with the Foreign Investment in Real Property Tax Act (Internal Revenue Code Sec. 1445, as amended, and the regulations issued thereunder).

(e) a California Form 593 executed by Seller (or such other appropriate party);

(f) a closing statement;

(g) an undertaking to re-adjust any item on or omitted from the closing statement for a period of not longer than 45 days after the Closing Date;

(h) a bring down certificate dated as of the Closing Date, confirming that all of the representations and warranties of Seller contained in this Agreement are true and correct in all material respects as of the Closing Date, with the same effect as though made on and as of the Closing Date;

(i) the Monitor's Certificate, which shall be delivered and held in escrow until all other closing conditions have been satisfied or waived and the Monitor confirms same in writing to Purchaser; and

(j) all other documents reasonably necessary or otherwise required by the Monitor or the Title Company to consummate the Transaction.

Section 6.02 Purchaser's Closing Deliveries. Purchaser shall deliver or cause to be delivered to Seller and/or the Monitor and/or Escrow Agent or Title Agent, on or before the Closing Date, the following:

(a) The balance of the Purchase Price as set forth in Section 2.02(b).

(b) an undertaking to re-adjust any item on or omitted from the statement of adjustments for a period of not longer than 45 days after the Closing Date;

(c) a bring down certificate dated as of the Closing Date, confirming that all of the representations and warranties of Purchaser contained in this Agreement are true and correct in all material respects as of the Closing Date, with the same effect as though made on and as of the Closing Date;

(d) Any required transfer tax forms.

(e) All other documents reasonably necessary or otherwise required by the Monitor or the Title Company to consummate the Transaction.

Section 6.03 Delivery of the Monitor's Certificate. When the conditions set out in Article XII below have been satisfied or waived, the Monitor will deliver an executed copy of the Monitor's Certificate to Purchaser. Upon such delivery, the Closing will be deemed to have occurred. The Monitor will thereafter promptly file a copy of the Monitor's Certificate with the Canadian Court. For the purposes of delivering the Monitor's Certificate, the Monitor shall be entitled to rely exclusively and without independent verification on written confirmation from counsel to Purchaser and Seller (email being sufficient) regarding the satisfaction or waiver of the conditions set out in Article XII.

ARTICLE VII
CLOSING COSTS

Section 7.01 Seller's Closing Costs. Seller shall pay the following costs and expenses in connection with the transaction contemplated by this Agreement:

(a) One-half of Escrow Agent's fees

(b) Any costs incurred with terminating the Leases and causing Tenants to vacate the Property.

(c) The cost of the Title Report.

(d) The cost of the Title Insurance Policy.

(e) Broker's fees.

(f) Any and all costs incurred by Seller in connection with the preparation, review, and negotiation of this Agreement and the transactions and the Closing contemplated by this Agreement, including any attorneys' or consultancy fees.

Section 7.02 Purchaser's Closing Costs. Purchaser shall pay the following costs and expenses in connection with the transaction contemplated by this Agreement:

(a) One-half of Escrow Agent's fees.

(b) Any and all state and/or local real property transfer fees that are payable in connection with the transaction contemplated by this Agreement.

(c) Recording fees for the recording of the Conveyance Deed and any mortgage.

(d) The cost of the Survey.

(e) Any and all costs associated with any financing Purchaser may obtain to consummate the acquisition of the Property.

(f) Any and all costs incurred by Purchaser in connection with the preparation, review, and negotiation of this Agreement and the transactions and the Closing

contemplated by this Agreement, including any expenses associated with Purchaser's investigation of the Property, and any attorneys' or consultancy fees.

ARTICLE VIII
APPORTIONMENTS

Section 8.01 Apportionments at Closing. The Parties shall prorate the following as of 11:59 p.m. (Prevailing Time Zone Time) on the day immediately preceding the Closing Date (the "**Apportionment Date**") on the basis of the actual number of days of the month which shall have elapsed as of the Closing Date and based upon the actual number of days in the month and a 365 day year.

Section 8.02 Property Taxes. Property taxes shall be apportioned on the basis of the fiscal period for which assessed. If the Closing Date shall occur before an assessment is made or a tax rate is fixed for the tax period in which the Closing Date occurs, the apportionment of such Property Taxes based thereon shall be made at the Closing Date by applying the tax rate for the preceding year to the latest assessed valuation, but, promptly after the assessment and/or tax rate for the current year are fixed, the apportionment thereof shall be recalculated and Seller or Purchaser, as the case may be, shall make an appropriate payment to the other within seven (7) Business Days based on such recalculation. If, as of the Closing Date, the Real Property or any portion thereof shall be affected by any special or general assessments which are or may become payable in installments of which the first installment is then a lien and has become payable, Seller shall pay the unpaid installments of such assessments which are due prior to the Closing Date and Purchaser shall pay the installments which are due on or after the Closing Date.

Section 8.03 Utility Charges. All water, sewer, gas, electric, telephone, fuel, and other utility charges that were prorated as of the Closing Date based on the last ascertainable bill shall be adjusted and prorated as of the Closing Date upon receipt of the actual statements for said utilities.

Section 8.04 Operating Costs and Expenses. All operating costs and expenses accrued before the Closing Date shall be paid by Seller on or before the Closing Date or promptly upon receipt of applicable statements. All operating costs and expenses accruing on or after the Closing Date shall be paid by Purchaser.

Section 8.05 Reserved.

Section 8.06 Reserved.

Section 8.07 Seller's Insurance. Seller shall not be required to assign any policies of insurance in respect of the Property to Purchaser and Purchaser shall be responsible for obtaining its own insurance as of the Closing Date.

Section 8.08 Other Items. Such other items as are customarily prorated in transactions similar to the transaction contemplated by this Agreement.

Section 8.09 Survival. The provisions of this Article shall survive the Closing of this Agreement for a period of forty-five (45) days.

ARTICLE IX
RESERVED

ARTICLE X
SELLER'S COVENANTS

Section 10.01 Seller's Covenants. Seller covenants that:

(a) From the Effective Date until the Closing, Seller shall, subject in all cases to any orders made in the CCAA Proceedings and Chapter 15 Proceedings that are applicable to Seller:

(i) Maintain the Property in the ordinary course of business and deliver the Property to Purchaser at the Closing in substantially the same condition it was in as of the Effective Date, ordinary wear and tear excepted; provided, however, that Seller shall have no obligation to make any capital expenditures;

(ii) Continue its customary practices with respect to leasing and contracts affecting the Property;

(iii) Maintain general liability and property damage insurance in amounts that it customarily maintains;

(iv) Comply with all laws applicable to the Property, use, or occupancy thereof; and

ARTICLE XI
REPRESENTATIONS AND WARRANTIES

Section 11.01 Seller's Representations and Warranties.

(a) Except as expressly set forth in this Section 11.01, and without limiting anything in Article XIV, Seller has not made and does not make any representations or warranties, including any representations or warranties as to the physical and environmental condition, layout, leases, footage, rents, income, expenses, zoning, or other matters with respect to the Property.

(b) Seller represents and warrants that:

(i) Seller has all necessary power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action on the part of Seller, subject to the Approval and

Vesting Orders. This Agreement is a valid and binding obligation of Seller enforceable in accordance with its terms;

(ii) the Monitor has been duly appointed as the monitor of Seller by the Initial Order and such Initial Order is in full force and effect and has not been stayed, and subject to obtaining the Approval and Vesting Order(s), Seller has the full right, power and authority to enter into this Agreement, perform its obligations hereunder and convey all of its right, title and interest in and to the Property;

(iii) subject to any charges created by the Initial Order, Seller has done no act itself to encumber or dispose of the Property and is not aware of any action or process pending or threatened against Seller that may affect its ability to convey the Property as contemplated herein;

(iv) Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code 1986, as amended, or any regulations promulgated thereunder (collectively, the "**Code**");

(v) Seller is not, and shall not become, a Person or entity with whom United States Persons or entities are restricted or prohibited from doing business under regulations of the Office of Foreign Asset Control ("**OFAC**") of the Department of the Treasury (including those named on OFAC's specially designated and blocked Persons list) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and shall not engage in any dealings or transactions or be otherwise associated with such Persons;

(vi) There are no currently active leases or service contracts in place affecting the Property which will survive the Closing or which will be binding upon Purchaser after the Closing Date; and

(vii) All representations and warranties made by knowledge in this Agreement are made based on the actual knowledge of the CRO, without any duty to review or investigate the matters to which such knowledge, or the absence thereof, pertains and with no imputed knowledge whatsoever, whether from any partner, officer, director, member, shareholder, or employee of Seller. The CRO shall have no personal liability arising out of any representations or warranties made herein.

Section 11.02 Purchaser's Representations and Warranties.

(a) Purchaser represents and warrants that:

(i) Purchaser has full power and authority to enter into and perform this Agreement in accordance with its terms. Purchaser is a limited liability company validly formed and in good standing under the laws of the State of Mississippi.

Purchaser is duly qualified to do business and is in good standing in the State of Mississippi. All requisite action (corporate, trust, partnership, or otherwise) has been taken by Purchaser in connection with this Agreement or shall have been taken on or prior to the Closing Date. Purchaser's execution, delivery, and performance of this Agreement have been duly authorized and all required consents or approvals have been obtained. The individuals executing this Agreement on behalf of Purchaser have the power and authority to bind Purchaser to the terms and conditions of this Agreement;

(ii) This Agreement is a valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights generally;

(iii) Purchaser has not violated any contract, agreement, or other instrument to which Purchaser is a party, nor any judicial order, judgment, or decree to which Purchaser is bound, by: (A) entering into this Agreement; (B) executing any of the documents Purchaser is obligated to execute and deliver on the Closing Date; or (C) performing any of its duties or obligations under this Agreement or otherwise necessary to consummate the Transaction;

(iv) To Purchaser’s actual knowledge, there are no actions, lawsuits, litigation, or proceedings pending or threatened in any court or before any governmental or regulatory agency that affect Purchaser's power or authority to enter into or perform this Agreement;

(v) Reserved;

(vi) Except for the express representations and warranties of Seller found in Section 11.01 and subject to Article XIV, Purchaser is acquiring the Property on an "AS IS, WHERE IS" basis, without any representation or warranty of any kind or nature whatsoever, express or implied, and Purchaser acknowledges that no such representations or warranties have been made except as set forth in writing herein. In deciding whether to acquire the Property, Purchaser is relying solely on Purchaser's investigation of the Property;

(vii) Purchaser is not, and shall not become, a Person or entity with whom United States Persons are restricted or prohibited from doing business under regulations OFAC (including those named on OFAC's specially designated and blocked Persons list) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and shall not engage in any dealings or transactions or be otherwise associated with such Persons; and

(viii) There are no judgments, orders, or decrees of any kind against Purchaser unpaid or unsatisfied of record, nor any actions, suits, or other legal or

administrative proceedings pending or, to the best of Purchaser's actual knowledge, threatened against Purchaser, which would have any material adverse effect on the business or assets or the condition, financial or otherwise, of Purchaser or the ability of Purchaser to consummate the Transaction.

Section 11.03 No Representations. PURCHASER HEREBY ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, AND THE WARRANTY OF TITLE IN THE CONVEYANCE DEED AND BILL OF SALE, NEITHER SELLER, CRO, MONITOR, NOR ANY PERSON ACTING ON BEHALF OF SELLER, CRO, MONITOR, NOR ANY PERSON OR ENTITY WHICH PREPARED OR PROVIDED ANY OF THE MATERIALS REVIEWED BY PURCHASER IN CONDUCTING ITS DUE DILIGENCE, NOR ANY DIRECT OR INDIRECT OFFICER, DIRECTOR, PARTNER, MEMBER, SHAREHOLDER, EMPLOYEE, AGENT, REPRESENTATIVE, ACCOUNTANT, ADVISOR, ATTORNEY, PRINCIPAL, AFFILIATE, CONSULTANT, CONTRACTOR, SUCCESSOR, OR ASSIGN OF ANY OF THE FOREGOING PARTIES (SELLER, CRO, MONITOR, SELLER RELATED PARTIES, AND ALL THE OTHER PARTIES DESCRIBED IN THE PRECEDING PORTIONS OF THIS SENTENCE (OTHER THAN PURCHASER) SHALL BE REFERRED TO HEREIN COLLECTIVELY AS THE "**EXCULPATED PARTIES**") HAS MADE OR SHALL BE DEEMED TO HAVE MADE ANY ORAL OR WRITTEN REPRESENTATIONS OR WARRANTIES, WHETHER EXPRESSED OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE (INCLUDING WITHOUT LIMITATION WARRANTIES OF HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE), WITH RESPECT TO THE PROPERTY, THE PERMITTED USE OF THE PROPERTY, OR THE ZONING AND OTHER LAWS, REGULATIONS, AND RULES APPLICABLE THERETO OR THE COMPLIANCE BY THE PROPERTY THEREWITH, THE REVENUES AND EXPENSES GENERATED BY OR ASSOCIATED WITH THE PROPERTY, OR OTHERWISE RELATING TO THE PROPERTY OR THE TRANSACTIONS CONTEMPLATED HEREIN. PURCHASER FURTHER ACKNOWLEDGES THAT EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, ALL MATERIALS WHICH HAVE BEEN PROVIDED BY ANY OF THE EXCULPATED PARTIES HAVE BEEN PROVIDED WITHOUT ANY WARRANTY OR REPRESENTATION, EXPRESSED OR IMPLIED, AS TO THEIR CONTENT, SUITABILITY FOR ANY PURPOSE, ACCURACY, TRUTHFULNESS, OR COMPLETENESS AND, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, PURCHASER SHALL NOT HAVE ANY RECOURSE AGAINST SELLER, CRO, MONITOR OR ANY OF THE OTHER EXCULPATED PARTIES IN THE EVENT OF ANY ERRORS THEREIN OR OMISSIONS THEREFROM. PURCHASER IS ACQUIRING THE PROPERTY BASED SOLELY ON ITS OWN INDEPENDENT INVESTIGATION AND INSPECTION OF THE PROPERTY AND NOT IN RELIANCE ON ANY INFORMATION PROVIDED BY SELLER, CRO, MONITOR OR ANY OF THE OTHER EXCULPATED PARTIES, EXCEPT FOR THE REPRESENTATIONS, WARRANTIES, AND COVENANTS EXPRESSLY SET FORTH HEREIN AND IN THE CONVEYANCE DEED AND BILL OF SALE. EXCEPT AS EXPRESSLY SET FORTH HEREIN, PURCHASER EXPRESSLY DISCLAIMS ANY INTENT TO RELY ON ANY SUCH MATERIALS PROVIDED TO IT BY SELLER, CRO OR MONITOR IN CONNECTION WITH ITS DUE DILIGENCE AND AGREES THAT IT SHALL RELY SOLELY ON ITS OWN INDEPENDENTLY DEVELOPED OR VERIFIED INFORMATION.

Section 11.04 Reserved.

ARTICLE XII
CONDITIONS TO CLOSING

Section 12.01 Conditions Precedent to Obligations of Seller. Notwithstanding anything to the contrary contained herein, the obligation of Seller to close in accordance with this Agreement is expressly conditioned upon the fulfillment by and as of the time of the Closing of each of the conditions listed below, provided that Seller, at its election, evidenced by written notice delivered to Purchaser at or prior to the Closing, may waive any of such conditions:

(a) Purchaser shall have: (i) executed and delivered to Seller all the documents required to be executed and delivered under this Agreement; (ii) paid the full balance of the Purchase Price in accordance with Section 2.02(b) above; (iii) paid all other sums of money required under this Agreement; and (iv) taken or caused to be taken all the other action required of Purchaser pursuant to this Agreement.

(b) Purchaser shall not be in default of any covenant or agreement to be performed by Purchaser under this Agreement and shall have performed all other obligations required to be performed by it under this Agreement on or prior to the Closing Date.

(c) the Royal Bank of Canada (in its capacity as administrative agent and collateral agent) and Roynat, Inc. (in its capacity as mortgagee on the Real Property) shall have consented in writing to the Transaction.

(d) the Canadian Court and the U.S. Court shall have issued the Approval and Vesting Orders, and such Approval and Vesting Orders shall not have been stayed, vacated, reversed, or modified.

(e) On the Closing Date all representations and warranties made by Purchaser in Section 11.02 shall be true and correct as if made on the Closing Date.

Section 12.02 Conditions Precedent to Obligations of Purchaser. Notwithstanding anything to the contrary contained herein, the obligation of Purchaser to close title and pay the Purchase Price in accordance with this Agreement is expressly conditioned upon the fulfillment by and as of the time of the Closing of each of the conditions listed below, provided that Purchaser, at its election, evidenced by written notice delivered to Seller at or prior to the Closing, may waive all or any of such conditions:

(a) Seller shall have executed and delivered to Purchaser all the documents required to be executed and delivered under this Agreement and required to be delivered by Seller at the Closing and shall have taken all other action required of Seller at the Closing.

(b) All representations and warranties made by Seller in Section 11.01 shall be true and correct in all material respects as if made on the Closing Date, provided, however,

to the extent the facts and circumstances underlying such representations and warranties may have changed as of the Closing Date, Seller shall have the right to update its representations and warranties as of the Closing Date and Purchaser shall be obligated to consummate the Transaction on the Closing Date.

(c) the Canadian Court and the U.S. Court shall have issued the Approval and Vesting Orders, and such Approval and Vesting Orders shall not have been stayed, vacated, reversed, or modified.

(d) The Title Company shall be willing to insure title to the Property pursuant to a standard coverage title insurance policy in the amount of the Purchase Price, subject only to the Permitted Exceptions and as otherwise provided in this Agreement (the "**Title Insurance Policy**").

Section 12.03 Failure of Conditions to Closing.

(a) If Purchaser is unable to timely satisfy (and Seller has not waived in writing) the conditions precedent to Seller's obligation to effect the Closing, then such failure shall constitute a default hereunder, in which case, Seller shall have the right to terminate this Agreement by notice thereof to Purchaser in accordance with the terms of this Agreement. If this Agreement is so terminated, then Seller shall be entitled to receive the Earnest Money Deposit and thereafter, neither party shall have any further obligations hereunder, except those expressly stated to survive the termination hereof.

(b) If Seller is unable to timely satisfy the conditions precedent to Purchaser's obligation to effect the Closing (and Purchaser has not waived the same in writing), then Seller may, if it so elects and without any abatement in the Purchase Price: (i) adjourn the Closing Date for a period or periods not to exceed ten (10) Business Days in the aggregate after the Closing Date; and (ii) if, after any such extension, the conditions precedent to Purchaser's obligation to effect the Closing continue not to be satisfied (and Purchaser has not waived the same in writing) or Seller does not elect such extension and, in either case, such failure of condition precedent is not the result of Seller's default hereunder, then Purchaser or Seller shall be entitled to terminate this Agreement by notice thereof to the other party in accordance with the terms of this Agreement. If this Agreement is so terminated, then Purchaser shall be entitled to receive the Earnest Money Deposit and thereafter neither party shall have any further obligations hereunder, except those expressly stated to survive the termination hereof.

ARTICLE XIII
BROKERAGE COMMISSIONS

Section 13.01 Purchaser Representation. Purchaser represents and warrants to Seller that it has not dealt or negotiated with, or engaged on its own behalf or for its benefit, either directly or indirectly, any broker, finder, consultant, advisor, or professional in the capacity of a broker or finder in connection with this Agreement or the Transaction other than CBRE, Inc. (the " **Broker**"). Purchaser hereby agrees to indemnify, defend, and hold Seller and its disclosed and undisclosed

direct and indirect shareholders, officers, directors, partners, principals, members, employees, agents, contractors, and any successors or assigns of the foregoing, harmless from and against any and all Claims, demands, causes of action, losses, costs, and expenses (including reasonable attorneys' fees, court costs, and disbursements) arising from any Claim for commission, fees, or other compensation or reimbursement for expenses made by any broker engaged by or claiming to have dealt with Purchaser in connection with this Agreement or the Transaction, except Broker. Purchaser shall have no liability for payments to Broker.

Section 13.02 Seller Representation. Seller represents and warrants to Purchaser that it has not dealt or negotiated with, or engaged on its own behalf or for its benefit, either directly or indirectly, any broker in connection with this Agreement or the Transaction other than Broker. Seller hereby agrees to indemnify, defend, and hold Purchaser and its disclosed and undisclosed direct and indirect shareholders, officers, directors, partners, principals, members, employees, agents, contractors, and any successors or assigns of the foregoing, harmless from and against any and all Claims, demands, causes of action, losses, costs, and expenses (including reasonable attorneys' fees, court costs, and disbursements) arising from any Claim for commission, fees, or other compensation or reimbursement for expenses made by any Broker (including Broker) engaged by or claiming to have dealt with Seller in connection with this Agreement or the Transaction. Seller agrees to pay Broker in accordance with the terms of a separate agreement between Seller and Broker.

Section 13.03 Survival. The provisions of this Article XIII shall survive the termination of this Agreement or the Closing.

ARTICLE XIV
AS-IS, WHERE-IS

Section 14.01 AS-IS, WHERE-IS. Except as expressly set forth in this Agreement to the contrary, Purchaser is expressly purchasing the Property in its existing condition "AS-IS, WHERE-IS, AND WITH ALL FAULTS" with respect to all facts, circumstances, conditions, and defects, and Seller has no obligation to determine or correct any such facts, circumstances, conditions, or defects or to compensate Purchaser for same. Seller has specifically bargained for the assumption by Purchaser of all responsibility to investigate the Property, Laws, and Regulations, Rights, Facts, Leases, Service Contracts, Violations, Employees, and of all risk of adverse conditions and has structured the Purchase Price and other terms of this Agreement in consideration thereof. Purchaser has undertaken all such investigations of the Property, Laws, and Regulations, Rights, Facts, Leases, Service Contracts, Employees, and Violations, as Purchaser deems necessary or appropriate under the circumstances as to the status of the Property and, based upon same, Purchaser is and shall be relying strictly and solely upon such inspections and examinations and the advice and counsel of its own consultants, agents, legal counsel, and officers. Purchaser is and shall be fully satisfied that the Purchase Price is fair and adequate consideration for the Property and, by reason of all the foregoing, Purchaser assumes the full risk of any loss or damage (subject to Section 15.01 below) occasioned by any fact, circumstance, condition, or defect pertaining to the Property.

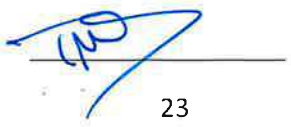
Section 14.02 No Warranty or Other Representation. Except as expressly set forth in this Agreement to the contrary, or in the Conveyance Deed or Bill of Sale Seller hereby disclaims all warranties of any kind or nature whatsoever (including, without limitation, warranties of habitability and fitness for particular purposes), whether expressed or implied, including, without limitation, warranties with respect to the Property. Except as is expressly set forth in this Agreement to the contrary or in the Conveyance Deed or Bill of Sale, Purchaser acknowledges that it is not relying upon any representation of any kind or nature made by Seller, CRO, Monitor or Broker, or any of their respective direct or indirect members, partners, shareholders, officers, directors, employees, or agents (collectively, the "**Seller Related Parties**") with respect to the Property, and that, in fact, except as expressly set forth in this Agreement to the contrary, no such representations were made. To the extent required to be operative, the disclaimers and warranties contained herein are "conspicuous" disclaimers for purposes of any applicable law, rule, regulation, or order. The information contained in any data room accessed by Purchaser in respect of the Property and description of the Property in any marketing material, listing information, and any like material delivered or made available by Seller Related Parties to Purchaser or its representatives are believed to be correct, but if any misstatement, error, inaccuracy or omission (collectively the "**Inaccuracies**") is found in them, Purchaser shall not be entitled to any abatement, damages, reimbursement, costs or termination of this Agreement as a result of them and Purchaser releases Seller and the Seller Related Parties from any Claims the Purchaser had, has or may have as a result of such Inaccuracies. Purchaser waives to the fullest extent permitted by law any rights, remedies and benefits under any consumer protection law, whether federal, state or local. Purchaser covenants not to sue Seller under any such consumer protection law.

Section 14.03 Environmental Laws; Hazardous Materials. Seller makes no warranty with respect to the presence of Hazardous Materials on, above, or beneath the Property (or any parcel in proximity thereto) or in any water on or under the Property. The Closing hereunder shall be deemed to constitute an express waiver of Purchaser's right to cause Seller to be joined in any action brought under any Environmental Laws. As used herein, the term "**Hazardous Materials**" shall mean: (a) those substances included within the definitions of any one or more of the terms "hazardous materials," "hazardous wastes," "hazardous substances," "industrial wastes," and "toxic pollutants," as such terms are defined under the Environmental Laws, or any of them; (b) petroleum and petroleum products, including, without limitation, crude oil and any fractions thereof; (c) natural gas, synthetic gas, and any mixtures thereof; (d) asbestos and or any material which contains any hydrated mineral silicate, including, without limitation, chrysotile, amosite, crocidolite, tremolite, anthophyllite, and/or actinolite, whether friable or non-friable; (e) polychlorinated biphenyl ("**PCBs**") or PCB-containing materials or fluids; (f) radon; (g) any other hazardous or radioactive substance, material, pollutant, contaminant, or waste; and (h) any other substance with respect to which any Environmental Law or governmental authority requires environmental investigation, monitoring, or remediation. As used herein, the term "**Environmental Laws**" shall mean all federal, state, and local laws, statutes, ordinances, and regulations, now or hereafter in effect, in each case as amended or supplemented from time to time, including, without limitation, all applicable judicial or administrative orders, applicable consent decrees, and binding judgments relating to the regulation and protection of human health, safety, the environment, and natural resources (including, without limitation, ambient air, surface, water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species, and vegetation), including, without limitation, the Comprehensive Environmental Response, Compensation and

Liability Act of 1980, as amended (42 U.S.C. §§ 9601 *et seq.*), the Hazardous Materials Transportation Act, as amended (49 U.S.C. §§ 5101 *et seq.*), the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. §§ 136 *et seq.*), the Resource Conservation and Recovery Act, as amended (42 U.S.C. §§ 6901 *et seq.*), the Toxic Substances Control Act, as amended (15 U.S.C. §§ 2601 *et seq.*), the Clean Air Act, as amended (42 U.S.C. §§ 7401 *et seq.*), the Federal Water Pollution Control Act, as amended (33 U.S.C. §§ 1251 *et seq.*), the Safe Drinking Water Act, as amended (42 U.S.C. §§ 300f *et seq.*), and any other state or local counterpart or equivalent of any of the foregoing, and any federal, state, or local transfer of ownership notification or approval statutes.

Section 14.04 Seller Release. Purchaser shall rely solely upon Purchaser's own knowledge of the Property based on its investigation of the Property and its own inspection of the Property in determining the Property's physical condition, and Purchaser agrees that it shall, subject to the express warranties, representations, and conditions contained in this Agreement, assume the risk that adverse matters, including, but not limited to, construction defects and adverse physical and environmental conditions may not have been revealed by Purchaser's investigations. Except as expressly set forth in this Agreement to the contrary, Purchaser releases Seller, the Seller Related Parties, and their respective successors and assigns from and against any and all Claims which Purchaser or any party related to or affiliated with Purchaser (each, a "**Purchaser Related Party**") has or may have arising from or related to any matter or thing related to or in connection with the Property except as expressly set forth in this Agreement to the contrary, including the documents and information referred to herein, any construction defects, errors or omissions in the design or construction, and any environmental conditions and, except as expressly set forth in this Agreement to the contrary, neither Purchaser nor any Purchaser Related Party shall look to Seller, the Seller Related Parties, or their respective successors and assigns in connection with the foregoing for any redress or relief. This release shall be given full force and effect according to each of its express terms and provisions, including those relating to unknown and unsuspected Claims, damages, and causes of action. To the extent required to be operative, the disclaimers and warranties contained herein are "conspicuous" disclaimers for purposes of any applicable law, rule, regulation, or order. Purchaser agrees that there is a risk that subsequent to the execution of this Agreement, Purchaser will suffer losses, damages or injuries which are unknown and unanticipated at the time this Agreement is signed. Purchaser hereby assumes such risk and agrees that the release contained in this Section1 4.04 SHALL APPLY TO ALL UNKNOWN OR UNANTICIPATED CLAIMS, AS WELL AS THOSE KNOWN AND ANTICIPATED, AND PURCHASER DOES HEREBY WAIVE ANY AND ALL RIGHTS UNDER CALIFORNIA CIVIL CODE SEC. 1542, WHICH SECTION HAS BEEN DULY EXPLAINED AND READS AS FOLLOWS:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."



Purchaser's Initials

The foregoing release shall be effective as of the Effective Date and shall be deemed to be remade and reaffirmed as of the expiration of the Due Diligence Period and as of the Closing Date. Notwithstanding anything stated to the contrary in this Agreement, the foregoing release shall not extend to (and shall expressly exclude) claims arising from (i) Seller's intentional fraud, or (ii) Seller's breach of its express representations and warranties set forth herein (subject to any applicable limitations set forth herein). The provisions of this Section 14.04 shall survive the Closing Date.

Section 14.05 Natural Hazard Disclosure Statement. Within ten (10) days of the Effective Date, Seller shall request that Escrow Agent make a property disclosure report (the "**Disclosure Report**") available to Purchaser. The Disclosure Report fully and completely discharges Seller from its disclosure obligations, if any, which may be required under the Natural Hazard Disclosure Act, California Government Code Sections 8589.3, 8589.4, and 51183.5, California Public Resources Code Sections 2621.9, 2694, and 4136, and California Civil Code Section 1103.2, and any successor law, and, for the purposes of this Agreement, the provisions of California Civil Code Section 1102.4 regarding the non-liability of Seller for errors and/or omissions not within its personal knowledge shall be deemed to apply and the preparer of the Disclosure Report shall be deemed to be an expert, dealing with matters within the scope of its expertise with respect to the examination and Disclosure Report. Nothing set forth in the Disclosure Report shall (i) require Seller to remediate any matter referred to in the Disclosure Report or (ii) create any liability by Seller to Purchaser therefor and Seller shall in no event be required to expend funds to remediate any matters disclosed in the Disclosure Report. Notwithstanding Purchaser's receipt and review of the Disclosure Report, Purchaser hereby knowingly, voluntarily and intentionally waives its right to disclosure by Seller of natural hazards found in Natural Hazard Disclosure Act, California Government Code Sections 8589.3, 8589.4, and 51183.5, California Public Resources Code Sections 2621.9, 2694, and 4136, and California Civil Code Section 1103.2, and any similar or successor law. Following the Closing, Purchaser shall be solely responsible for preparing and delivering its own disclosure report to any subsequent prospective buyers of the Property.

Section 14.06 Survival. The provisions of this Article XIV shall survive the Closing or the earlier termination of this Agreement and shall not be deemed to have merged into any of the documents executed or delivered at the Closing.

ARTICLE XV
RISK OF LOSS

Section 15.01 Risk of Loss. The risk of loss or damage to any portion of the Property, by fire, condemnation, or otherwise, until the Closing Date, shall be borne by Seller. In the event that any condemnation loss, casualty loss, or any damage to any portion of the Property shall occur before the Closing Date, the party first learning of the loss or damage shall, in writing, immediately inform the other party of such loss or damage and, if such loss is less than five percent (5%) of the Purchase Price, in the aggregate, Purchaser shall be given a credit at Closing for the amount necessary to repair or replace the damage, and Seller and Purchaser shall close the Transaction as otherwise provided. If such loss exceeds five percent (5%) of the Purchase Price, in the aggregate,

Purchaser shall have the option (which option shall be exercised within 20 days in writing upon the determination of the replacement and/or repair costs) to either: (a) rescind the Agreement, in which event the Earnest Money Deposit shall be returned to Purchaser, whereupon this Agreement shall be null and void and neither party shall have any rights against the other; or (b) proceed to Closing and, in such event, Seller's right to all insurance proceeds resulting from such damage or destruction or to any condemnation proceeds resulting from a condemnation shall be assigned by Seller to Purchaser, and Seller shall pay to Purchaser the amount of any deductibles and co-payments required to be paid along with certification that the policy is in full force and effect and unimpaired and the loss is covered by the policy. Seller shall have no obligation to make repairs. All time periods under this Section 15.01 that have not expired shall toll during the pendency of any determination of the amount of loss, with time of tolling being measured from the date of notice through any final determination or agreement on the amount of loss. Seller shall assist Purchaser in the ascertainment of the amount and details of disbursement of insurance proceeds.

ARTICLE XVI
REMEDIES

Section 16.01 Seller's Remedies in the Event of Purchaser's Breach or Default. In the event of Purchaser's default or breach in its obligations under this Agreement, after written notice and ten (10) days to cure, the Seller, as its sole and exclusive remedy, may retain the Earnest Money Deposit and all interest earned thereon as liquidated damages and seek reimbursement for any legal fees and costs incurred in the enforcement of any dispute arising from this Agreement related to such default or breach. Thereafter, upon payment of the Earnest Money Deposit and all interest earned thereon and legal fees and costs, if any, to Seller, this Agreement shall be terminated, and the parties shall be released from further liability to each other hereunder, except for those obligations and liabilities that are expressly stated to survive termination of this Agreement. SELLER AND PURCHASER AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO ESTIMATE THE DAMAGES WHICH SELLER MAY SUFFER UPON A PURCHASER DEFAULT AND THAT THE EARNEST MONEY DEPOSIT AND ANY INTEREST EARNED THEREON, AS THE CASE MAY BE, REPRESENTS A REASONABLE ESTIMATE OF THE TOTAL NET DETRIMENT THAT SELLER WOULD SUFFER UPON A PURCHASER DEFAULT. SUCH LIQUIDATED AND AGREED DAMAGES ARE NOT INTENDED AS A FORFEITURE OR A PENALTY WITHIN THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED BUT SHALL CONSTITUTE LIQUIDATED DAMAGES IN ACCORDANCE WITH PROVISIONS OF SECTIONS 1671, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE.

Section 16.02 Purchaser's Remedies in the Event of Seller's Breach or Default. In the event Seller should default in its obligations under this Agreement, after written notice and ten (10) days to cure, the Purchaser shall have the right as its sole and exclusive remedy to choose to either: (a) terminate this Agreement by delivery of written notice to Seller and the Monitor, and the Monitor shall return the Earnest Money Deposit to Purchaser, with the interest earned thereon, if any; or (b) continue this Agreement and pursue specific performance, provided that any such action for specific performance must be commenced within sixty (60) days after such default. PURCHASER EXPRESSLY WAIVES ALL RIGHTS TO SEEK OTHER DAMAGES,

INCLUDING WITHOUT LIMITATION, ACTUAL OR CONSEQUENTIAL DAMAGES IT MAY HAVE ON ACCOUNT OF ANY DEFAULT BY SELLER HEREUNDER.

Section 16.03 Exculpation. Purchaser agrees that it does not have and will not have any Claims or causes of action against any disclosed or undisclosed officer, director, employee, trustee, shareholder, partner, principal, parent, subsidiary, retirant, beneficiary, internal investment contractor, agent, or other affiliate of Seller, or any other Seller Related Parties, including, without limitation, any officer, director, employee, trustee, shareholder, partner, principal, retirant, beneficiary, internal investment contractor, agent, or other affiliate of Seller or any such parent, subsidiary, or other affiliate, or any other Seller Related Parties (collectively, "**Seller's Affiliates**"), arising out of or in connection with this Agreement or the Transaction. Subject at all times to any stay of proceedings in effect in the CCAA Proceedings and/or Chapter 15 Proceedings, Purchaser agrees to look solely to Seller and its assets for the satisfaction of any liability or obligation arising under this Agreement or the Transaction, or for the performance of any of the covenants, warranties, or other agreements contained herein, and further agrees not to sue or otherwise seek to enforce any personal obligation against any of Seller's Affiliates with respect to any matters arising out of or in connection with this Agreement or the Transaction. Without limiting the generality of the foregoing provisions of this Section 16.03, Purchaser hereby unconditionally and irrevocably waives any and all Claims and causes of action of any nature whatsoever it may now or hereafter have against Seller's Affiliates and hereby unconditionally and irrevocably releases and discharges Seller's Affiliates from any and all liability whatsoever which may now or hereafter accrue in favor of Purchaser against Seller's Affiliates in connection with or arising out of this Agreement or the Transaction.

Section 16.04 Survival. The provisions of this Article XVI shall survive the termination of this Agreement and the Closing.

ARTICLE XVII
CONFIDENTIALITY AND PRESS RELEASE

Section 17.01 Confidentiality. The Parties agree that the terms and conditions of this Agreement are confidential and shall not be disclosed to any Person, except: (a) to such Parties' solicitors, advisors, agents or representatives acting in connection herewith and, then, only on the basis that such Persons are also required to keep such information confidential as aforesaid; and (b) to the Canadian Court and/or U.S. Court in furtherance of obtaining the Approval and Vesting Order(s).

Section 17.02 Limited Disclosure. Notwithstanding the foregoing, the obligation to maintain the confidentiality of such information will not apply to the extent that disclosure of such information is required by, or desirable to be made to, the Canadian Court and/or U.S. Court, by law or otherwise in connection with governmental or other applicable filings relating to the Transaction, provided that, in such case, unless the Purchaser otherwise agrees, Seller may, if possible in its sole discretion, request confidentiality in respect of such legal proceedings or governmental or other filings.

Section 17.03 Survival. The provisions of this Article XVII shall survive the termination of this Agreement.

ARTICLE XVIII
GENERAL PROVISIONS

Section 18.01 Notices. Unless specifically stated otherwise in this Agreement, all notices, waivers, and demands required under this Agreement shall be in writing and delivered to all other Parties, and the Monitor, at the addresses below, by one of the following methods:

(a) Hand delivery, whereby delivery is deemed to have occurred at the time of delivery;

(b) A nationally recognized overnight courier company, whereby delivery is deemed to have occurred the Business Day following deposit with the courier;

(c) Registered U.S. Mail, signature required and postage-prepaid, whereby delivery is deemed to have occurred on the third Business Day following deposit with the United States Postal Service; or

(d) Electronic transmission (email) provided that the transmission is completed no later than 5:00 p.m. (Prevailing Time Zone Time) on a Business Day and the original also is sent via overnight courier or U.S. Mail, whereby delivery is deemed to have occurred at the end of the Business Day on which electronic transmission is completed.

To Purchaser:
Duff Real Estate, LLC
800 US Hwy. 98
Columbia, MS 39420
Attention: Thomas M. Duff, Manager
Telephone: 601-424-3223
Email: Thomas.Duff@stmtires.com

with a copy to:
Paul C. Sewell
Sewell & Sewell, PC
2650 Commerce Way
Kaufman, TX 75142
Telephone:
214-793-2628
Email: psewell@sewellattorneys.com

To Seller:
Pride Group Enterprises
400 Spectrum Center Dr., Suite 280
Irvine, CA 92618

Attention: Amtoj Randhawa, Esq.
Tel: (949) 749-2185
E-mail: Amtoj.Randhawa@PrideGroupEnterprises.com

with a copy to:

Thornton Grout Finnigan LLP
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7

Attention: Leanne Williams / Rachel Nicholson / Puya Fesharaki
Tel: (416) 304-0060 / (416) 304-1153 / (416) 304-7979
Email: lwilliams@tgf.ca / rnicholson@tgf.ca / pfesharaki@tgf.ca

To Monitor:

Ernst & Young Inc.
100 Adelaide Street West
Toronto, ON M5H 0B3

Attention: Alex Morrison / Emily Masry
Tel: (416) 941-7743 / (437) 518-2646
Email: alex.f.morrison@parthenon.ey.com / emily.masry@parthenon.ey.com

with a copy to:

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

Attention: Chris Burr
Tel: (416) 863-3261
Email: chris.burr@blakes.com

To Escrow Agent:

First American Title Insurance Company
200 West Madison Street, Suite 800
Chicago, Illinois 60606
Attention: James W. McIntosh and April Muiser
Tel: (312) 917-7220
Email: jmcintosh@firstam.com; amuiser@firstam.com

Any Party shall change its address for purposes of Section 18.01 by giving written notice as provided in this Section 18.01.

All notices and demands delivered by a Party's attorney on a Party's behalf shall be deemed to have been delivered by said Party. Notices shall be valid only if served in the manner provided in this Section 18.01.

Section 18.02 Complete Agreement; Amendments and Modifications; Partial Invalidity; Waivers.

(a) This Agreement may be executed in counterparts, and when executed by all Parties shall become one (1) integrated agreement enforceable on its terms. This Agreement supersedes all prior agreements between the Parties with respect to the Property and all discussions, understandings, offers, and negotiations with respect thereto, whether oral or written. This Agreement shall not be amended or modified, except in a writing signed by each Party hereto. If amended or modified as permitted by this Section 18.02(a), the term "**Agreement**" shall thereafter be read as including all said amendments and modifications. All exhibits that are referenced in this Agreement or attached to it are incorporated herein and made a part hereof as if fully set forth in the body of the document.

(b) Any term or provision of this Agreement, which is invalid or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

(c) Any waiver of any provision or of any breach of this Agreement shall be in writing and signed by the Party waiving said provision or breach. No waiver of any breach of any agreement or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other agreement or provision herein contained. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts. Effective as of the Closing, any breaches or conditions not waived previously in accordance with this Section 18.02(c) are deemed waived.

Section 18.03 Parties; Assignment of Interests in This Agreement; Successors and Assigns.

(a) Purchaser may not assign or otherwise transfer this Agreement or any of its rights or obligations hereunder or any of the direct or indirect ownership interests in Purchaser, without first obtaining Seller's prior consent and approval thereto, which may be given or withheld in Seller's sole and absolute discretion.

(b) All references to Seller in this Agreement shall include Seller's assignee.

(c) This Agreement and all its covenants, terms, and provisions shall be binding on and inure to the benefit of each Party and its successors and assigns.

Section 18.04 Reserved.

Section 18.05 Further Assurances. From the Effective Date, Seller and Purchaser each agrees to do such things, perform such acts, and make, execute, acknowledge, and deliver such documents as may be reasonably necessary and customary to complete the Transaction. In particular, Seller and Purchaser each agree to do such things as may be reasonably necessary with respect to the transfer of the operation of the Property, including with respect to the Assumed Contracts, Leases, and any other items to be assumed by Purchaser under this Agreement, to complete the transfer of the operation of the Property.

Section 18.06 Interpretation and Construction.

(a) The Parties acknowledge that, in connection with negotiating and executing this Agreement, each has had its own counsel and advisors and that each has reviewed and participated in the drafting of this Agreement. The fact that this Agreement was prepared by Seller's counsel as a matter of convenience shall have no import or significance to the construction of this Agreement. Any uncertainty or ambiguity in this Agreement shall not be construed against Seller because Seller's counsel prepared this Agreement in its final form. Any rule of construction that requires any ambiguities to be interpreted against the drafter shall not be employed in the interpretation of: (i) this Agreement; (ii) any exhibits to this Agreement; or (iii) any document drafted or delivered in connection with the Transaction.

(b) Any captions or headings used in this Agreement are for convenience only and do not define or limit the scope of this Agreement.

(c) The singular of any term, including any defined term, shall include the plural, and the plural of any term shall include the singular. The use of any pronoun with respect to gender shall include the neutral, masculine, feminine, and plural.

Section 18.07 Days; Performance on a Saturday, Sunday, or Holiday. Whenever the term "day" is used in this Agreement, it shall refer to a calendar day unless otherwise specified. A "**Business Day**" shall mean any weekday except for those weekdays that a banking institution within the State in which the Property is located is required by said state to be closed (a "**Holiday**"). Should this Agreement require an act to be performed or a notice to be given on a Saturday, Sunday, or Holiday, the act shall be performed or notice given on the following Business Day.

Section 18.08 Time Is of the Essence. The parties hereto acknowledge and agree that, except as otherwise expressly provided in this Agreement, TIME IS OF THE ESSENCE for the performance of all actions (including, without limitation, the giving of notices, the delivery of documents, and the funding of money) required or permitted to be taken under this Agreement. Whenever action must be taken (including, without limitation, the giving of notice, the delivery of documents, or the funding of money) under this Agreement, prior to the expiration of, by no later than, or on a particular date, unless otherwise expressly provided in this Agreement, such action must be completed by 11:59 p.m. (Prevailing Time Zone Time) on such date. However, notwithstanding anything to the contrary herein, whenever action must be taken (including, without limitation, the giving of Notice, the delivery of documents, or the funding of money) under

this Agreement prior to the expiration of, by no later than, or on a particular date that is not a Business Day, then such date shall be extended until the immediately following Business Day.

Section 18.09 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State in which the Property is located. EACH PARTY HERETO AGREES THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE INSTITUTED IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, AND, TO THE EXTENT SUCH COURT DOES NOT HAVE OR DOES NOT ACCEPT JURISDICTION TO ADJUDICATE SUCH MATTER, MAY BE INSTITUTED IN THE STATE OR FEDERAL COURTS OF THE UNITED STATES OF AMERICA IN THE STATE IN WHICH PROPERTY IS LOCATED. TO THE EXTENT PERMITTED BY LAW, EACH PARTY HERETO IRREVOCABLY WAIVES ANY RIGHT ANY PARTY HERETO MAY HAVE TO ASSERT THE DOCTRINE OF *FORUM NON CONVENIENS*, TO ASSERT THAT ANY PARTY HERETO IS NOT SUBJECT TO THE JURISDICTION OF THE AFORESAID COURTS, OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS ARTICLE XVIII. SERVICE OF PROCESS, SUFFICIENT FOR PERSONAL JURISDICTION IN ANY ACTION AGAINST ANY PARTY HERETO, MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ANY SUCH PARTY'S ADDRESS INDICATED IN SECTION 18.01 HEREOF.

Section 18.10 No Offer. This Agreement shall not be deemed an offer or binding upon Seller or Purchaser until this Agreement is fully executed and delivered by Seller and Purchaser.

Section 18.11 No Survival. Except as otherwise provided in this Agreement, no representations, warranties, covenants, or other obligations of Seller set forth in this Agreement shall survive the Closing hereunder and no action based thereon shall be commenced after the Closing.

Section 18.12 Attorneys' Fees; Income and Capital Gains Taxes.

(a) Seller and Purchaser each acknowledge that: (i) they have been represented by independent counsel in connection with this Agreement; (ii) they have executed this Agreement with the advice of such counsel; (iii) this Agreement is the result of negotiations between the parties hereto and the advice and assistance of their respective counsel; and (iv) because Seller and Purchaser have been represented by independent counsel in connection with this Agreement, this Agreement shall not be construed against Seller.

(b) Each Party to this Agreement shall be responsible for all costs it incurs in connection with the preparation, review, and negotiation of this Agreement and the Transaction and the Closing contemplated by this Agreement, including any attorneys' or consultants fees. In addition, each Party is responsible for its own income taxes and capital gains taxes resulting from its operation of the Property and such taxes shall not be a proration at the Closing.

(c) If any action is brought by either Party against the other in connection with or arising out of this Agreement, or any of the documents and instruments delivered in connection herewith or in connection with the Transaction, the prevailing party shall be entitled to recover from the other party its reasonable out-of-pocket costs and expenses, including, without limitation, reasonable attorneys' fees, incurred in connection with the prosecution or defense of such action.

Section 18.13 Reserved.

(a) Waiver of Jury Trial; Judicial Reference. Except as otherwise expressly stated in this Agreement, to survive the Closing hereunder, all obligations the Parties have to each other under this Agreement shall survive neither the Closing nor the earlier termination of this Agreement. In the unlikely event that a dispute survives the Closing or termination, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF SELLER AND PURCHASER HEREBY EXPRESSLY AND UNCONDITIONALLY WAIVES, IN CONNECTION WITH ANY SUIT, ACTION, OR PROCEEDING BROUGHT BY THE OTHER PARTY HERETO UNDER THIS AGREEMENT OR IN CONNECTION WITH ANY TRANSACTION CONTEMPLATED HEREBY, ANY AND EVERY RIGHT EACH OF SELLER AND PURCHASER MAY HAVE TO: (A) INJUNCTIVE RELIEF (EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT TO THE CONTRARY); (B) A TRIAL BY JURY; (C) INTERPOSE ANY COUNTERCLAIM THEREIN (EXCEPT FOR ANY COMPULSORY COUNTERCLAIM WHICH, IF NOT ASSERTED IN SUCH SUIT, ACTION, OR PROCEEDING, WOULD BE WAIVED); AND (D) HAVE THE SAME CONSOLIDATED WITH ANY OTHER OR SEPARATE SUIT, ACTION, OR PROCEEDING. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN BY EACH PARTY KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

(b) Notwithstanding the foregoing to the contrary, in the event that the jury trial waiver contained herein shall be held or deemed to be unenforceable, or if a court action is commenced, each of the parties hereby agree that any controversy, dispute, or claim between the parties arising out of or relating to this Agreement shall be resolved by a reference proceeding in California in accordance with the provisions of California Code of Civil Procedure § 638. The referee shall be a retired California state court judge selected by mutual written agreement of the parties. If the parties are unable to agree upon a referee within fifteen (15) calendar days after one party serves a written notice of its intent to commence a judicial reference proceeding on the other party, then the referee will be selected by the court in accordance with California Code of Civil Procedure § 640(b). The referee shall be appointed to sit as a temporary judge, with all of the powers of a temporary judge, as authorized by law, and upon selection should take and subscribe to the oath of office as provided for in Rule 244 of the California Rules of Court (or any subsequently enacted rule). The referee shall determine the manner in which the reference proceeding is conducted including the time and place of all hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the reference proceeding. The referee shall render a written statement of decision and shall conduct the

proceedings in accordance with the California Code of Civil Procedure, the California Rules of Court, and the California Evidence Code, except as otherwise specifically agreed by the Parties and approved by the referee. The referee's statement of decision shall set forth findings of fact and conclusions of law. The referee's decision shall be entered as a judgment in the court in accordance with the provisions of California Code of Civil Procedure §§ 644 and 645, and shall be appealable in accordance with applicable law. The foregoing judicial reference procedure constitutes a full and complete waiver of the right to a trial by jury that the parties may otherwise have, and this waiver and judicial reference procedure is a material consideration to each party.

(c) If the enabling legislation which provides for appointment of a referee is repealed (and no successor statute is enacted), any dispute between the parties that would otherwise be determined by the reference procedure herein described will be resolved and determined by arbitration. The arbitration will be conducted by a retired California state court judge, in accordance with the California Arbitration Act, California Code of Civil Procedure §§ 1280 through 1294.2 as amended from time to time.

Seller's Initials RB Purchaser's Initials JM

[SIGNATURE PAGE FOLLOWS]

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

PURCHASER:

DUFF REAL ESTATE, LLC, a Mississippi Limited Liability Company

By: _____

Name: Thomas M. Duff

Title: Manager

SELLER:

VALLEY BOULEVARD FONTANA CORP.

Signed by:

By: RC Benson

5D7DE9516449410...

Name: Randall Benson

Title: Court-Appointed Chief Restructuring Officer

The undersigned has executed this Agreement solely to confirm its acceptance of the duties of Escrow Agent as set forth in this Agreement:

ESCROW AGENT:

FIRST AMERICAN TITLE INSURANCE COMPANY

By: _____

Name: James McIntosh

Title: Vice President & Senior Account Representative

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

PURCHASER:

DUFF REAL ESTATE, LLC, a Mississippi Limited Liability Company

By:_____
Name: Thomas M. Duff
Title: Manager

SELLER:

VALLEY BOULEVARD FONTANA CORP.

By: Signed by: RC Benson ED7DE0516449410...
Name: Randall Benson
Title: Court-Appointed Chief Restructuring Officer

The undersigned has executed this Agreement solely to confirm its acceptance of the duties of Escrow Agent as set forth in this Agreement:

ESCROW AGENT:

FIRST AMERICAN TITLE INSURANCE COMPANY

By: April Muiser
Name: April Muiser
Title: Commercial Escrow Assistant

SCHEDULE "A"

Defined Terms

(d) "**Approval and Vesting Order**s" means the Canadian Approval and Vesting Ordre and the U.S. Approval and Vesting Order, and "**Approval and Vesting Order**" means either one of them;

(e) "**Business Day**" means a day on which banks are open for business in the City, but does not include a Saturday, Sunday or statutory holiday recognized in the State in which the Property is located;

(f) "**Canadian Approval and Vesting Order**" means the approval and vesting order issued by the Canadian Court in the CCAA Proceedings, in form and substance acceptable to Seller, Purchaser and the Monitor (acting reasonably) approving this Agreement and the Transaction, and (i) authorizing and directing Seller to complete the Transaction and conveying to Purchaser all of Seller's right, title and interest, if any, in and to the Property; and (ii) vesting title in the Property into the name of the Purchaser, free and clear of all Encumbrances other than the Permitted Encumbrances;

(g) "**Claims**" means any and all claims, demands, complaints, actions, applications, suits, causes of action, orders, or other similar processes, and "**Claim**" means any one of them;

(h) "**Governmental Authority**" means any nation, government, province, state, or any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of any government or any political subdivision thereof, court, tribunal, arbitrator, the governing body of any securities exchange, and self-regulatory organization, in each case having competent jurisdiction, and "**Governmental Authority**" means any one of them;

(i) "**Monitor's Certificate**" means the certificate referred to as such in the Canadian Approval and Vesting Order;

(j) "**Permitted Encumbrances**" means those Encumbrances listed on **Schedule "C"**, which the Purchaser acknowledges and agrees will continue to attach to and be enforceable against the Property following Closing;

(k) "**Person**" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity;

(l) "**Prevailing Time Zone Time**" shall mean the time zone of the City in which the Property is located;

(m) "**Taxes**" means any and all federal, state, local and foreign taxes, land transfer taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, harmonized, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property and personal property taxes, and any other taxes, customs duties, fees, assessments or similar charges in the nature of a tax, together with any interest, fines and penalties, imposed by any Governmental Authority, and whether disputed or not that arise in respect of the Property in the jurisdiction in which it is located;

(n) "**Tenants**" means any tenants occupying, leasing, or subleasing the Property at the time of Closing;

(o) "**Transaction**" means the transaction of purchase and sale of the Property as contemplated by this Agreement;

(p) "**U.S. Approval and Vesting Order**" means the recognition order issued by the U.S. Court in the Chapter 15 Proceedings, in form and substance acceptable to Seller, Purchaser and the Monitor (acting reasonably), (i) recognizing and giving effect to the Canadian Approval and Vesting Order in the United States, (ii) approving the sale of the Property free and clear of liens, claims, and encumbrances, and (iii) granting any related relief;[1]

[1] Related relief expected to be requested would be in respect of the assumption and assignment of any executory contracts or unexpired leases under 11 U.S.C. § 365.

SCHEDULE "B"

THE EAST 5 ACRES OF THE WEST 10.17 ACRES OF LOT 823, RESUBDIVISION OF TOWNSITE OF SANSEVAINE, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 18 OF MAPS, PAGE 78, RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THE SOUTH 40 FEET AS CONVEYED TO THE STATE OF CALIFORNIA.

NOTE: THE AREAS AND DISTANCES OF THE ABOVE-DESCRIBED PROPERTY ARE COMPUTED TO THE CENTERS OF THE ADJOINING STREETS SHOWN ON SAID MAP.

Commonly known as 15762 Valley Boulevard, Fontana, CA 92335

SCHEDULE "C"

(Permitted Encumbrances)

(a) All presently existing and future liens for unpaid real estate taxes and water and sewer charges not due and payable as of the Closing Date, subject to adjustment as hereinafter provided.

(b) All present and future zoning, building, environmental, and other laws, ordinances, codes, restrictions, and regulations of all governmental authorities having jurisdiction with respect to the Property, including, without limitation, landmark designations and all zoning variances and special exceptions, if any (collectively, "**Laws and Regulations**").

(c) All covenants, restrictions, and rights of record and all easements and agreements of record for the erection and/or maintenance of water, gas, steam, electric, telephone, sewer, or other utility pipelines, poles, wires, conduits, or other like facilities, and appurtenances thereto, over, across, and under the Property (collectively, "**Rights**"), provided, such exceptions do not interfere with the present use of the Property, do not prohibit the maintenance and operation of the Property, and do not impose any financial or other obligations on the Purchaser.

(d) Any state of facts which would be shown on or by an accurate current survey of the Property, together with any additional state of facts that a subsequent accurate survey of the Property would show (collectively, "**Facts**").

(e) Reserved.

(f) Reserved.

(g) Consents by Seller or any former owner of the Property for the erection of any structure or structures on, under, or above any street or streets on which the Property may abut.

(h) Possible encroachments and/or projections of stoop areas, roof cornices, window trims, vent pipes, cellar doors, steps, columns and column bases, flue pipes, signs, piers, lintels, windowsills, fire escapes, satellite dishes, protective netting; sidewalk sheds, ledges, fences, coping walls (including retaining walls and yard walls), air-conditioners and the like, if any, on, under, or above any street or highway, the Property, or any adjoining property.

(i) Variations between tax lot lines and lines of record title.

(j) The standard conditions and exceptions to title contained in the form of title policy or "marked-up" title commitment issued to Purchaser by the Title Company.

(k) Reserved.

(l) Reserved.

(m) The Non-Objectionable Encumbrances and any liens, encumbrances, or other title exceptions approved or waived by Purchaser as provided in this Agreement.

(n) Any other matter which the Title Company may raise as an exception to title, provided the Title Company will insure against collection or enforcement of same out of the Property and/or that no prohibition of present use or maintenance of the Property will result therefrom, as may be applicable.

(o) Any lien or encumbrance arising out of the acts or omissions of Purchaser.

(p) Any special assessments including but not limited to any and all special assessments that are presently assessed, a lien against or imposed on the Property, not yet due and payable and payable in installments or in a lump sum.

SCHEDULE "D"

ESCROW PROVISIONS

The Earnest Money Deposit shall be held by Escrow Agent, in trust, on the terms hereinafter set forth:

A. Escrow Agent shall deposit the Earnest Money Deposit in an interest bearing account, with a Federally insured financial institution.

B. Escrow Agent shall not commingle the Earnest Money Deposit with any other funds of Escrow Agent or others and shall promptly advise Purchaser and Seller of the number of any bank account in which the Earnest Money Deposit has been deposited.

C. If the Closing takes place under this Agreement, then Escrow Agent shall disburse the Earnest Money Deposit on the Closing Date to Seller and Purchaser shall receive a credit against the Purchase Price in an amount equal to the Earnest Money Deposit.

D. If this Agreement is terminated in accordance with the terms hereof or if the Closing does not take place under this Agreement by reason of the failure of Purchaser or Seller to comply with its obligations hereunder, then Escrow Agent shall pay the Earnest Money Deposit as required by the terms of this Agreement, provided, however, that notwithstanding the foregoing, Escrow Agent shall not pay over the Earnest Money Deposit to any party hereunder unless and until the following procedure is complied with: The party requesting disbursement of the Earnest Money Deposit (the "Requesting Party") shall deliver notice to Escrow Agent and all other parties hereto requesting such disbursement. Within five (5) days after receipt of such notice of request, Escrow Agent shall deliver notice to all other parties hereto stating that the Requesting Party has requested such disbursement (and including a copy of the Requesting Party's notice). Within ten (10) days after receipt of Escrow Agent's notice, the non-requesting party shall either: (a) agree to permit such disbursement by Escrow Agent or (b) inform Escrow Agent that the non-requesting party does not agree to permit such disbursement. If the non-requesting party acts under clause (a), then Escrow Agent shall make the disbursement as requested by the Requesting Party. If the non-requesting party acts under clause (b), then Escrow Agent shall not make any disbursement except as provided in paragraph F below. If the non-requesting party fails to respond during the foregoing ten (10) day period, same shall be deemed to be the response of the non-requesting party under clause (a) on the last day of such ten (10) day period.

E. It is agreed that the duties of Escrow Agent are only as herein specifically provided, and, subject to the provisions of paragraph F hereof, are purely ministerial in nature, and that Escrow Agent shall incur no liability whatsoever except for willful misconduct or gross negligence, as long as Escrow Agent has acted in good faith. Seller and Purchaser each

release Escrow Agent from any act done or omitted to be done by Escrow Agent in good faith in the performance of its duties hereunder.

F. Escrow Agent is acting as a stakeholder only with respect to the Earnest Money Deposit. If there is any dispute as to whom the Earnest Money Deposit is to be delivered, Escrow Agent shall not make any delivery, but in such event Escrow Agent shall hold same until receipt by Escrow Agent of an authorization in writing, signed by all the parties having interest in such dispute, directing the disposition of same, or, in the absence of such authorization Escrow Agent shall hold the Earnest Money Deposit until the final determination of the rights of the parties in an appropriate proceeding. If such written authorization is not given, or proceedings for such determination are not begun within thirty (30) days after the Closing Date and diligently continued, Escrow Agent may bring an appropriate action or proceeding for leave to deposit the Earnest Money Deposit in court pending such determination. Escrow Agent shall be reimbursed for all costs and expenses of such action or proceeding including, without limitation, reasonable attorneys' fees and disbursements, by the party determined not to be entitled to the Earnest Money Deposit. Upon making delivery of the Earnest Money Deposit in the manner herein provided, Escrow Agent shall have no further liability hereunder.

G. Escrow Agent has executed this Agreement in order to confirm that Escrow Agent has received the Earnest Money Deposit, and that Escrow Agent will hold the Earnest Money Deposit in escrow, pursuant to the provisions hereof.

EXHIBIT A

Form of Bill of Sale and General Assignment

_____, a _____ ("Seller"), in consideration of Ten Dollars ($10.00) and other good and valuable consideration paid to Seller by [_____], a [_____] ("Purchaser"), the receipt and sufficiency of which are hereby acknowledged, hereby sells, conveys, assigns, transfers, delivers and sets over to Purchaser all Personal Property, Licenses, Permits and Intangible Property, if any, owned by Seller and which are located at and used solely in connection with the Real Property and/or the Improvements but specifically excluding the property listed on Schedule A annexed hereto. Any term with its initial letter capitalized and not otherwise defined herein shall have the meaning set forth in the Purchase Agreement (as defined below).

TO HAVE AND TO HOLD unto Purchaser and its successors and assigns to its and their own use and benefit forever.

Purchaser hereby acknowledges and agrees that the Personal Property, Licenses, Permits and Intangible Property are being conveyed "AS IS, WHERE IS, WITH ALL FAULTS", and the provisions of Article [XIV] of the Purchase and Sale Agreement dated [_____ __, 20__] between Purchaser and Seller with respect thereto, are incorporated herein by this reference (the "Purchase Agreement").

This Bill of Sale is made by Seller without recourse and without any express or implied representation or warranty whatsoever.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed as of this ____ day of _____, 20__.

_____, a
_____

By:_____
Name:
Title:

Schedule A to Exhibit A

Excluded Property

Any and all tractors, trailers, motor vehicles, movable equipment, EV chargers and/or personal property not permanently fixed to the Property.

EXHIBIT B

Form FIRPTA

SELLER'S FIRPTA CERTIFICATE

_____, a _____ ("Transferor"), hereby certifies as follows:

Section 1445 of the Internal Revenue Code (the "Code") provides that a transferee (buyer) of a United States real property interest must withhold tax if the transferor (seller) is a foreign person.

Transferor is transferring certain real property in the City of _____, County of _____ and [State/Commonwealth of _____ to _____, a _____ ("Transferee") pursuant to a deed of even date herewith.

Transferor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person, as those terms are defined in the Code. The office address of Transferor is c/o _____.

The United States taxpayer identification number of Transferor is: _____.

This certification is being given pursuant to Section 1445 of the Code to inform Transferee that withholding of tax is not required upon this disposition of United States real property interests.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Dated: _____ __, 20___

[_____]

By: _____
Name:
Title:

Docusign Envelope ID: EB7D0357-787C-4259-83F8-DA24A79E75F3

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT

This First Amendment to Purchase and Sale Agreement (this "***First Amendment***"), is dated as of February 24, 2025, and is made and entered into by and between **VALLEY BOULEVARD FONTANA HOLDING CORP.**, a California corporation ("***Seller***") and **DUFF REAL ESTATE, LLC**, a Mississippi limited liability company, or its assigns ("***Purchaser***").

WHEREAS, Seller and Purchaser entered into that certain Purchase and Sale Agreement (as amended hereby, the "***Agreement***"), dated effective January 22, 2025; and

WHEREAS, Seller and Purchaser desire to amend the Agreement to extend the Purchaser's deadline to terminate the Agreement pursuant to Section 5.02(c) as a result of Seller's deemed election not to cure any of Purchaser's Title Objections set forth in the Title Report Objection Notice until Friday, February 28, 2025, and for the purposes related thereto hereinafter set forth; and

NOW, THEREFORE, for and in consideration of all good and valuable consideration, including the mutual covenants and agreements set forth herein, the receipt, sufficiency and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

1. The foregoing recitals are true and correct and are hereby incorporated into this First Amendment for all purposes. All capitalized terms used in this First Amendment, but not defined herein, shall have the meaning assigned to such term in the Agreement.

2. Pursuant to Section 5.02(c), Seller has been deemed to have elected not to remove (or otherwise cure) Purchaser's Title Objections set forth in the Title Report Objection Notice. Notwithstanding the terms, conditions, and provisions of Section 5.02(c) in the Agreement to the contrary, as a result of such deemed election, the Parties agree that Purchaser shall have the right to terminate the Agreement by delivering notice of termination to Seller on or prior to 5:00 PM (Prevailing Time Zone Time) on February 28, 2025.

3. If Purchaser fails to deliver the notice to terminate the Agreement within the time frame as set forth above, pursuant to Sections 3.01 and 5.02(c) of the Agreement, Purchaser shall be deemed to have (i) withdrawn its Title Objections and approved such exceptions and such exceptions shall be deemed Permitted Exceptions, and (ii) waived the contingencies set forth in Article III of the Agreement and the title matters addressed in Article V of the Agreement, subject in all instances to the closing conditions in the Agreement, including Title Company's commitment to issue a Title Policy based upon a pro forma which will be agreed upon between Title Company and the Purchaser on or prior to February 28, 2025. For clarity, no conditions to Closing set forth in the Agreement will be waived.

3. The Agreement as amended herein, is hereby agreed to be in full force and effect according to its terms. In the event of any conflict between the provisions of this First Amendment and the Agreement the provisions of this First Amendment shall govern and control. Except as specifically amended by the provisions hereof the terms and provisions in the Agreement shall continue to govern the rights and obligations of the parties hereunder; and all provisions and covenants of the Agreement shall remain in full force and effect as stated therein

4. An electronic copy of a duly executed counterpart of this First Amendment shall be sufficient to evidence the binding agreement of each party to the terms herein, and delivery of this First Amendment shall be deemed to occur upon transmission of an electronic transmission of the fully executed counterparts of this First Amendment to the intended recipient.

EXECUTED to be effective as of the dated first written above.

Docusign Envelope ID: EB7D0357-787C-4259-83F8-DA24A79E75F3

SELLER:

VALLEY BOULEVARD FONTANA HOLDING CORP.,
a California corporation

Signed by:
RC Benson
ED7DE0516449410

By:_____

Its: Chief Restructuring officer

PURCHASER:

DUFF REAL ESTATE, LLC
a Mississippi limited liability company

By:_____

Its:_____

SELLER:

VALLEY BOULEVARD FONTANA HOLDING CORP.,
a California corporation

By:_____

Its:_____

PURCHASER:

DUFF REAL ESTATE, LLC
a Mississippi limited liability company

By:_____
Perry Phillips

Its: Authorized Representative

Exhibit C

Monitor's Report

Court File No. CV-24-00717340-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF **PRIDE GROUP HOLDINGS INC.** and those Applicants listed on **Schedule "A"** hereto

TWENTY FOURTH REPORT OF THE MONITOR

DATED March 24, 2025

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INTRODUCTION

1. On March 27, 2024, Pride Group Holdings Inc. and those entities listed as "Applicants" in **Schedule "A"** hereto (each an "**Applicant**" and, collectively, the "**Applicants**") brought an application (the "**CCAA Application**") before the Ontario Superior Court of Justice (Commercial List) (the "**Court**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**") to, among other things, obtain a stay of proceedings to allow them an opportunity to restructure their business and affairs.

2. On the same day, the Court granted an initial order in these CCAA proceedings (the "**CCAA Proceedings**") that, among other things, (i) appointed Ernst & Young Inc. as Monitor (in such capacity, the "**Monitor**"), and (ii) appointed RC Benson Consulting Inc. as Chief Restructuring Officer of the Pride Entities (in such capacity, the "**CRO**"), and as foreign representative for the purposes of having the CCAA Proceedings recognized and approved in a jurisdiction outside Canada, including the United States pursuant to Chapter 15 of Title 11 of the United States Bankruptcy Code (in such capacity, the "**Foreign Representative**").

3. In addition to the Applicants, the entities listed as "Limited Partnerships" and "Additional Stay Parties" in **Schedule "A"** hereto also obtained the benefit of the stay of proceedings. The Applicants together with the Limited Partnerships are referred to herein as the "**Pride Entities**" (and together with the Additional Stay Parties, the "**Pride Group**").

4. A description of the events occurring in these CCAA Proceedings prior to the date of this Twenty Fourth Report is provided in Appendix "A".

5. This Twenty Fourth Report should be read in conjunction with prior reports of the Monitor (collectively, the "**Prior Reports**") and the Affidavit of Randall Benson sworn March 20, 2025 (the "**Benson Affidavit**").

TERMS OF REFERENCE

6. In preparing this Twenty Fourth Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and

records prepared by the Applicants, discussions with management of the Applicants ("**Management**"), and information from other third-party sources, including financiers and personal property security registries (collectively, the "**Information**"). In its preparation of this Twenty Fourth Report, the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CAS in respect of the Information. Some of the information referred to in this Twenty Fourth Report may consist of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

7. Any future-oriented financial information referred to in this Twenty Fourth Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

8. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in this Twenty Fourth Report concerning the Pride Entities and their business is based on the Information, and not independent factual determinations made by the Monitor.

9. Capitalized terms not otherwise defined herein have the meaning ascribed to them in Prior Reports, Appendix "A" or the Benson Affidavit, as applicable.

PURPOSE

10. The purpose of this Twenty Fourth Report is to provide the Court and the Pride Entities' stakeholders with:

    (a) updates in connection with:

(i) the development of the final allocation proposal with respect to the costs of these CCAA Proceedings;

(ii) the status of the proposed interim distribution of the net proceeds of the PGL Going Concern Transaction;

(iii) the sale of the Sweetwater Property (as defined below); and

(iv) the Pride Entities' cash flow status and an updated consolidated cash flow forecast;

(b) information pertaining to the Pride Entities' motion returnable March 27, 2025, for orders that include the following relief (the "**Requested Relief**"):

(i) extending the Stay Period to September 30, 2025;

(ii) authorizing a distribution of the net proceeds of the Factoring Transaction to the DIP Agent, or, in the event any interested party files an objection to such relief, scheduling a case conference to set a hearing date in respect of same and a litigation timetable, if applicable;

(iii) approving a transaction contemplated by an agreement of purchase and sale dated January 29, 2025, as amended by an amendment to purchase and sale agreement dated February 28, 2025 (the "**Medley Sale Agreement**"), between the Applicant, 87th Avenue Medley FL Holding Corp. (the "**Medley Vendor**"), as vendor, and JMC Trucking Inc. (the "**Medley Purchaser**"), as purchaser, vesting in the Medley Purchaser all of Medley Vendor's right, title and interest in and to the real property municipally known as 10015 NorthWest 87th Avenue, Medley, Florida (the "**Medley Property**"), and approving a distribution of the net proceeds of sale of the Medley Property to Bank of Montreal ("**BMO**") as secured mortgagee;

(iv) approving a transaction contemplated by an agreement of purchase and sale dated January 22, 2025 (the "**Edmonton Sale Agreement**"), between the Applicant, 52 Street Edmonton Holding Inc. (the "**Edmonton Vendor**"), as

vendor, and 2650296 Alberta Ltd. (the "**Edmonton Purchaser**"), as purchaser, vesting in Edmonton Purchaser all of Edmonton Vendor's right, title and interest in and to the real property with the municipal address 7403 52 Street NW, Edmonton, Alberta (the "**Edmonton Property**"), and approving a distribution of the net proceeds of sale of the Edmonton Property to Roynat Inc. ("**Roynat**") as secured mortgagee;

(v) authorizing a distribution of the net proceeds of sale of the Fontana Property (as defined in the Twenty Third Report) to Roynat as secured mortgagee;

(vi) approving an amendment to the agreement of purchase and sale with respect to the High Prairie Property (as defined in the Nineteenth Report); and

(vii) approving the Monitor's Twenty First Report, Twenty Second Report and Twenty Third Report (including the supplements thereto) and the activities of the Monitor described therein; and

(c) the Monitor's views on the Requested Relief.

UPDATE ON FINAL ALLOCATION PROPOSAL

11. As noted in the Twenty Second Report, the Monitor has begun working on a final allocation proposal and the Monitor's analysis with respect to same. The Monitor intends to advance this by completing the following steps:

(a) develop a draft methodology for the allocation, based on data that is available to the Monitor;

(b) consult with key stakeholders regarding the draft methodology and obtain stakeholders' feedback;

(c) finalize the methodology for the allocation;

(d) gather all relevant data in relation to the allocation proposal;

(e) using the finalized methodology and relevant data, calculate an allocation proposal on a stakeholder-by-stakeholder basis;

(f) consult with various stakeholders regarding the stakeholder-by-stakeholder allocation proposal and obtain stakeholders' feedback; and

(g) seek Court approval of an allocation proposal on notice to all stakeholders.

12. In the week of March 3, 2025, the Monitor, the CRO and counsel met with certain significant stakeholders, including counsel and advisors to the Syndicate Agent, Mitsubishi and its counsel and advisors, Paccar and its counsel, Daimler and its counsel and counsel to the ad hoc group of Securitization Parties, to solicit their views on the key principles and framework for allocation on a confidential and without prejudice basis. The Monitor and the CRO also met with the Syndicate Agent and its financial advisor on March 21, 2025.

13. With the information and views obtained from these discussions, the Monitor is currently working with the CRO to develop a framework for the allocation methodology and anticipates engaging with stakeholders once the framework is completed to further consult and solicit input. Following this engagement, the Monitor anticipates finalizing an allocation proposal for further discussion and consultation with key stakeholders.

14. The Monitor believes that it will be difficult, if not impossible, to prepare an allocation proposal that is acceptable to all stakeholders. However, the Monitor hopes to narrow the issues as between affected stakeholders prior to presenting a final allocation proposal to the Court.

15. In connection with advancing the final allocation proposal, at the appropriate time, the Monitor anticipates that it will seek approval of the Monitor's and its Canadian Counsel's and U.S. Counsel's fees and disbursements in these CCAA Proceedings. The Monitor anticipates that this process will involve (a) the Monitor serving a motion record detailing all such fees and disbursements, (b) a reasonable timeframe for any parties who wish to object to the Monitor's and/or its counsel's fees and disbursements to deliver to the Monitor a letter detailing such objections, and (c) a reasonable timeframe for the Monitor and/or its counsel to respond to any such objections and file any additional materials.

UPDATE ON DISTRIBUTION OF PGL PROCEEDS

16. The Pride Entities previously brought a motion for an order authorizing an interim distribution of a portion of the net proceeds of the PGL Going Concern Transaction, returnable on February 19, 2025. The Monitor's recommendations with respect to same are in the First Supplement to the Twenty First Report and the Second Supplement to the Twenty First Report (together, the "**Twenty First Report Supplements**").

17. At the hearing of the motion on February 19, 2025, aspects of the PGL Interim Distribution Order relating to an interim distribution of proceeds of vehicle sales were adjourned to enable the relevant stakeholders to discuss the proposed distribution. Other aspects of the PGL Interim Distribution Order were advanced at the hearing, and on February 28, 2025, the Court granted the PGL Ancillary Relief Order.

18. The PGL Ancillary Relief Order authorized and directed the Monitor to make an interim distribution in the amount of $5,597,479 (the "**PGL DIP Distribution**") to the DIP Agent on account of the proceeds of non-vehicle assets included in the PGL Going Concern Transaction. On March 20, 2025, the Syndicate Agent served notice of motion for leave to appeal this aspect of the PGL Ancillary Relief Order (the "**PGL Distribution Appeal**"). On March 21, 2025, the Syndicate Agent's motion record and factum relating to the PGL Distribution Appeal was served and responding materials are due by April 15, 2025. The PGL Ancillary Relief Order is not stayed pending this appeal and the Monitor intends to proceed with the interim distribution to the DIP Agent in order to reduce the accrual of interest on the DIP Facility. The Monitor notes that such funds can be reallocated in the event that a different determination is made in the PGL Distribution Appeal.

19. With respect to the adjourned interim distribution of proceeds of vehicle sales, on March 14, 2025, in response to a request from certain of the PGL Lenders, the Monitor's counsel sent an email to counsel for each PGL Lender that the Monitor has determined is entitled to a distribution of proceeds of the PGL Going Concern Transaction. This March 14, 2025 email: (a) re-attached an analysis prepared by Hilco in respect of each VIN to which each PGL Lender had claimed an entitlement as of August 2024, which analysis had been sent to each PGL Lender in August or September, 2024, in connection with the consultation

process for Court approval of the PGL Going Concern Transaction, and (b) attached a letter to all PGL Lenders, outlining the Monitor's proposed path forward to achieve an interim distribution (the "**PGL Process Letter**").

20. A copy of the PGL Process Letter is attached hereto as Appendix "B". In essence, the PGL Process Letter reiterates the Monitor's views in the Twenty First Report Supplements that while the "**Revised Interim Distribution**" (as defined in the Second Supplement to the Twenty First Report) is a fair and reasonable basis for an interim distribution, taking into account purchase price and cost allocations, the Monitor acknowledges that there are alternative distribution methodologies that would be rational and defensible. Moreover, because the interim distribution methodology is inherently an intercreditor issue, the PGL Process Letter advises that the Monitor is willing to consider any alternatives to the Revised Interim Distribution that may be acceptable or preferred by a meaningful number of PGL Lenders (defined in the PGL Process Letter as an "**Alternative Allocation Methodology**").

21. Accordingly, the PGL Process Letter requests that PGL Lenders entitled to an interim distribution of proceeds of vehicles in the PGL Going Concern Transaction coordinate among themselves regarding the interim distribution. To the extent an Alternative Allocation Methodology is developed, the PGL Lenders are requested to advise the Monitor as such on or before April 7, 2025.

22. The April 7, 2025 date by which Alternative Allocation Methodologies are requested was selected by the Monitor in order to balance (a) the need for PGL Lenders to further consider the issues and consult with other PGL Lenders, against (b) the desire of the Pride Entities and the Monitor to proceed with an interim distribution, to reduce accruing interest, and (c) the certainty that the Pride Entities and the Monitor require regarding whether or not there will be Alternative Allocation Methodologies proposed, so that they know when (and if) to bring back the motion for the Revised Interim Distribution.

23. While the Monitor believes the April 7, 2025 deadline is an appropriate balancing of these factors, the Monitor remains of the view that the interim distribution is fundamentally an intercreditor issue, and so if one or more PGL Lenders requires more time than the April

7, 2025 deadline permits, they are encouraged to contact the Monitor to request that this deadline be extended.

24. If no extensions are requested, and no Alternative Allocation Methodologies are submitted, on or before April 7, 2025, the Monitor will assume that none are forthcoming and expects that the Pride Entities will proceed to bring back the motion for the Revised Interim Distribution shortly thereafter. If one or more Alternative Allocation Methodologies are submitted, the Monitor will consider them and anticipates that it will engage with the relevant stakeholders and report on this in a future report.

UPDATE ON THE SALE OF THE SWEETWATER PROPERTY

25. On December 13, 2024, the Court granted the Sweetwater Approval and Vesting Order, which approved a sale of the shares of the Applicant, 963 Sweetwater Holding Corp. ("**Sweetwater**"). Sweetwater's sole asset is a house located at 255 NE Spanish Court, Boca Raton, Florida (the "**Sweetwater Property**").

26. The transaction was structured as a share sale due to an arrangement whereby RBC Georgia's existing mortgage on the Sweetwater Property would remain intact and continue as a binding obligation. The purchaser in the above transaction was Rashpal Johal (the "**Prior Purchaser**"), a related party to the Pride Entities as the spouse of the founder, Sulakhan Johal.

27. As previously reported in the Twentieth Report, Mitsubishi filed an objection to the transaction as part of the Chapter 15 Cases, the timelines set out in the share purchase agreement were not met and the Pride Entities withdrew the Notice of Sale filed with the U.S. Court.

28. The Pride Entities and the Monitor have since been consulting with the relevant stakeholders in respect of next steps to complete a sale of the Sweetwater Property, including consulting with Mitsubishi on a stipulation to be filed in the Chapter 15 proceedings which would attach the Lift Stay Order (as defined in Appendix "A") and remove Mitsubishi's objection. The Prior Purchaser recently requested certain changes to

the terms of the transaction in order to proceed and those changes were not agreed to by the DIP Agent.

29. Since then, a different interested party that is not related to the Pride Entities has recently come forward with a proposed offer and the CRO and Monitor are engaging with them on an expedited basis. Additionally, the Prior Purchaser has now indicated that they would be prepared to proceed on the terms of the transaction approved by the Court on December 13, 2024. The CRO and the Monitor will discuss the current options with key stakeholders, including RBC Georgia and the DIP Agent, and determine a path forward. The Pride Entities are also simultaneously working to engage a broker to re-list the Sweetwater Property for sale, if necessary, in the event neither of these transactions is ultimately accepted (and brought forward for Court approval, if required).

OVERVIEW OF THE PRIDE ENTITIES' CASH FLOW FORECAST

30. The Twenty Second Report contains a revised Wind-Down Cash Flow Forecast (the "**February CFF**") from February 3, 2025 to the estimated completion of the Wind-Down Plan, which took into account the delays and additional costs described therein. The February CFF projected a cash flow shortfall of approximately $11.1 million as at the completion of the Wind-Down Plan.

31. On February 28, 2025, the Court granted the Deferred Lease Payments and Ancillary Relief Order, which authorized the Pride Entities to apply (a) Lease Payments and Soft Collections (as defined in the Twenty Second Report) received by them, and (b) amounts held on account of resolved MCVs that relate to Leasebooks and which have been reconciled by the Monitor (excluding any amounts collected in respect of any securitization programs) (collectively, the "**Deferred Payments**"), to pay their ordinary course working capital needs, to fund the completion of the Wind-Down Plan, and for other general corporate purposes, subject to the Monitor's review and oversight.

32. In accordance with paragraph 30 of the Wind-Down Order, the Monitor has provided the Service List with bi-weekly variance reports for the period of February 3, 2025 to March 16, 2025 (the "**Variance Period**"). These individual variance reports can be found on the

Monitor's Website. During the Variance Period, there was a net positive operating variance of $0.7 million.

33. The Applicants, with the assistance of the Monitor, have prepared an updated consolidated cash flow forecast (the "**Cash Flow Forecast**") which reflects the availability of the Deferred Payments and includes forecast receipts and disbursements for the period from March 17, 2025, to the week ending December 31, 2025 (the "**Cash Flow Period**") for the purpose of projecting the Applicants' estimated liquidity needs during the Cash Flow Period. A copy of the Cash Flow Forecast is attached as Appendix "C" to this Twenty-Fourth Report.

34. The Cash Flow Forecast is presented on a weekly basis until May, on a monthly basis for May, and on a consolidated basis for June to December and represents the estimates of Management and the CRO of the Applicants' projected cash flow during the Cash Flow Period. The Cash Flow Forecast has been prepared by the Applicants, with the assistance of the Monitor, using probable and hypothetical assumptions (the "**Assumptions**") set out in the notes to the Cash Flow Forecast.

35. The Cash Flow Forecast shows that the Applicants project estimated total combined receipts of approximately $20.2 million, inclusive of the Deferred Payments transferred from the Monitor's trust accounts, and estimated total combined disbursements of approximately $23.4 million. The disbursements include operating disbursements and restructuring fees and reflect lease and soft collections for MCVs being transferred into the Monitor's MCV trust account.

36. As at December 31, 2025, the Applicants project to have an ending cash balance of $0.7 million for the Applicants that are obligors under the FARCA and $1.9 million for the other Applicants. The Cash Flow Forecast projects that the Applicants will have sufficient liquidity through the proposed extension to the Stay Period based on the Assumptions.

37. The Monitor notes that the Cash Flow Forecast does not contemplate the costs that may be incurred in relation to the PGL Distribution Appeal or the allocation of costs relating to the PGL Going Concern Transaction. In addition, the Cash Flow Forecast assumes that the

PGL DIP Distribution is applied to pay down principal and outstanding interest on the DIP Facility, and if this changes as a result of the outcome of the PGL Distribution Appeal, there will be an impact on the Applicants' future cash position.

STAY EXTENSION

38. The Stay Period currently expires on March 31, 2025. The Monitor has considered the Pride Entities' request to extend the Stay Period for six months, up to and including September 30, 2025.

39. A non-exhaustive list of the significant activities still required to complete the wind-down of the Pride Entities is set out in paragraph 23 of the Twenty Second Report and described in further detail in Appendix "C" to the Twenty Second Report. The Monitor expects that completion of all of these activities will take time beyond the length of the requested six-month extension of the Stay Period.

40. The Monitor is of the view that: (a) there will be no material prejudice to the Pride Entities' creditors and stakeholders as a result of the proposed extension of the Stay Period; (b) the Cash Flow Forecast shows sufficient liquidity based on the Assumptions; (c) the extension of the Stay Period will allow the Pride Entities to continue progressing their wind-down; and (d) the Pride Entities have acted, and are acting, in good faith and with due diligence during the Stay Period.

FACTORING TRANSACTION DISTRIBUTION

Background on Factoring Transaction

41. On August 7, 2024, the Court granted an order approving the Factoring Transaction, and that transaction closed on September 6, 2024. The Monitor is holding approximately $14 million in sale proceeds from the Factoring Transaction.

42. The original sale approval motion for the Factoring Transaction was scheduled for July 16, 2024, and was adjourned to August 7, 2024 to provide Mitsubishi an opportunity to file responding materials with respect to both the appropriateness of the transaction itself, as well as entitlement to the proceeds of sale. At the return of the Factoring Transaction sale

approval motion on August 7, 2024, the Court approved the sale, free and clear of any claims of both TPine Financial (the vendor) and Mitsubishi (which had originally claimed a property interest in the sold assets), but without prejudice to parties making submissions regarding the entitlement to the proceeds of sale.

43. Specifically, the approval and vesting order granted by the Court on August 7, 2024 provided at paragraph 7 (emphasis added):

> 7. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Receivables (the "**Net Proceeds**") **shall be held in trust by the Monitor and stand in the place and stead of the Purchased Receivables**, and that from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the Net Proceeds with the same priority as they had with respect to the Purchased Receivables immediately prior to the sale, as if the Purchased Receivables had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

Competing Claims to Proceeds of Factoring Transaction

44. The Monitor's views on the Factoring Transaction are set out in the Ninth Report, dated July 13, 2024, beginning at paragraph 40.

45. The Monitor's preliminary commentary regarding the competing claims to the proceeds of the Factoring Transaction begins at paragraph 48: in short, (a) Mitsubishi has asserted a property right in the assets sold as part of the Factoring Transaction (and corresponding proceeds of sale), and in the alternative a security interest in the event that the property interest fails, and (b) the DIP Agent has asserted a first-priority security interest in the sold assets (and corresponding proceeds of sale), pursuant to the DIP Lender's Charge.

46. The Monitor understands that the Syndicate Agent did not have a pre-filing pledge of security from TPine as part of the Syndicate Agent's security package granted by the Pride Entities, and so the DIP Agent's claim to the proceeds of sale is limited to its rights under the DIP Facility and the DIP Lender's Charge.

47. At paragraph 50 of the Ninth Report, the Monitor advised that its counsel has been unable to conclude that Mitsubishi's interest in the Factoring Transaction assets is a property interest, and that subject to receiving additional information or documentation, Mitsubishi's interest appears to be limited to a security interest. No additional material, documentation or information was provided by Mitsubishi following the delivery of the Ninth Report, and accordingly the Monitor's view remains the same as that set out in the Ninth Report. However, this view could change if new information, documentation or legal argument is brought to the Monitor's attention.

48. For the foregoing reasons, the Monitor supports the relief sought by the Pride Entities with respect to a distribution of the net proceeds of the Factoring Transaction.

MEDLEY FLORIDA SALE APPROVAL AND DISTRIBUTION

49. The Monitor understands that the Medley Vendor purchased the Medley Property in July 2023. The Pride Entities used the Medley Property as a dealership, sales and storage facility.

50. The Monitor understands that the Pride Entities retained Lee & Associates ("**Lee**") to list the Medley Property for sale on February 26, 2024, prior to the commencement of these CCAA Proceedings. The marketing efforts for the Medley Property generated several informal indications of interest and three offers, cultivated a competitive process, and resulted in the highest and best offer being submitted by the Medley Purchaser. Since the commencement of these CCAA Proceedings, the Monitor oversaw the process undertaken by the Pride Entities for the sale of the Medley Property and is of the view that the Medley Property has been sufficiently marketed to the public.

51. On January 29, 2025, the Medley Purchaser and the Medley Vendor entered into the Medley Sale Agreement. The Medley Sale Agreement was subsequently amended on February 28, 2025. The Monitor understands that the Medley Purchaser is not a related party to the Pride Entities.

52. The Monitor is of the view that any additional sale or marketing efforts would result in additional costs incurred and would be unlikely to result in a materially better offer than that provided for under the Medley Sale Agreement.

The Medley Sale Agreement

53. A copy of the Medley Sale Agreement is attached to the Benson Affidavit as Exhibit "C". The relevant terms are as follows:[1]

Item	Term
Vendor	87th Avenue Medley FL Holding Corp.
Purchaser	JMC Trucking Inc.
Purchase Price	USD$3,100,000
Deposit	USD$155,000, which has been paid by the Medley Purchaser
Purchased Assets	All of the Medley Vendor's right, title, and interest in and to the Medley Property, all Appurtenances, certain Improvements, certain Personal Property located on the Medley Property, all Assumed Contracts, all Intangible Property, and all Leases
Material Condition(s)	The Canadian Court and the U.S. Court shall have issued the Approval and Vesting Orders
Closing Date	On the 70th day following the expiration of the Due Diligence Period

54. The Monitor has considered the purchase price payable under the Medley Sale Agreement. Following consultation with Lee, BMO and the DIP Agent, and review of available appraisal information, the Monitor is of the view it represents a fair and reasonable price for the Medley Property. The Monitor notes that the purchase price is higher than the price of USD$2.9 million paid by the Pride Entities for the Medley Property in 2023.

[1] The following table summarizing the terms of the Medley Sale Agreement is being provided for illustrative purposes only. Readers should consult the Medley Sale Agreement itself for a definitive statement of its terms. Capitalized terms used in the following chart and not otherwise defined shall have the meanings given to them in the Medley Sale Agreement.

55. As set out above, the gross purchase price under the Medley Sale Agreement is USD$3,100,000, which is subject to closing costs. The Monitor intends to work closely with the Pride Entities in connection with closing, including to supervise the closing costs, which are anticipated to include real estate fees and commissions, pre-closing taxes, pre-closing accrued utilities, and professional costs.

56. The Monitor recommends that the Court approve the Medley Sale Agreement for the following reasons:

(a) the Medley Property was sufficiently marketed through a listing arrangement with Lee;

(b) the purchase price appears to be fair and reasonable;

(c) the Medley Sale Agreement is a result of a competitive sale process that produced several informal indications of interest and offers, and represents the highest realization available for the Medley Property in the circumstances;

(d) the DIP Agent and BMO, in its capacity as mortgagee, each support the transaction contemplated by the Medley Sale Agreement; and

(e) the terms of the Medley Sale Agreement are commercially reasonable, and the expected closing date is expected to provide adequate time to close the transaction.

Medley Distribution to BMO

57. A copy of a Title Commitment dated January 30, 2025 with respect to the Medley Property is attached hereto as Appendix "D" (the "**Medley Title Commitment**").

58. The Medley Property is subject to a mortgage, security agreement, fixture filing and assignment of leases and rents (the "**Medley Mortgage**") in favour of BMO.

59. The Monitor's Florida counsel, Taft Stettinius & Hollister LLP ("**Taft**"), has reviewed the security granted by Medley Vendor in respect of the Medley Property and issued a security opinion which is summarized below (the "**Medley Opinion**"). A copy of the Medley

Opinion will be made available to the Court and any party with a demonstrated interest in the Medley Property (or its proceeds), upon request, subject to the delivery by the requesting party of a non-reliance undertaking in form and substance acceptable to the Monitor.

60. The Medley Opinion concludes that, subject to customary assumptions and qualifications:

(a) the Medley Mortgage constitutes a legal, valid and binding obligation of the Medley Vendor, enforceable against the Medley Vendor in accordance with its terms;

(b) the Medley Mortgage is enforceable against and in sufficient form to create a lien on Medley Vendor's fee interest in the Medley Property; and

(c) the Medley Title Commitment reflects the recording of the Medley Mortgage with the Miami-Dade County, Florida Recorder of Deeds and such recording is enforceable against and in sufficient form to create a lien on Medley Vendor's fee interest in the Medley Property.

61. The Monitor understands from Taft that under Florida law, the priority of a mortgage is generally determined as of the recording date of the document and a recorded mortgage has priority over all subsequently recorded liens except for certain specific claims. While the Medley Opinion does not draw any conclusions regarding priority, the Medley Title Certificate does not disclose any recorded financial encumbrances registered prior to the Medley Mortgage.

62. Accordingly, based on the Medley Opinion and subject to the assumptions and qualifications set out therein, the Medley Title Commitment and Taft's advice, the Monitor understands that BMO has a first priority security interest in the Medley Property.

63. BMO has provided the Pride Entities and the Monitor with a payout statement, indicating that the total direct outstanding indebtedness under the Medley Mortgage secured against the Medley Property as of March 28, 2025, was approximately USD$2,216,565 (the "**Medley Mortgage Indebtedness**").

64. In addition to the Medley Mortgage Indebtedness, the Monitor understands that the Medley Property is collateral for cross-collateralized amounts owing to BMO, beyond the amounts owing under the Medley Mortgage directly. The Monitor has been advised by BMO that the surplus, cross-collateralized amounts will total approximately CAD$27,930,829 plus USD$12,105,300 as of March 28, 2025 (the "**Surplus BMO Amounts**"), significantly in excess of the Medley Property purchase price net of the Medley Mortgage Indebtedness.

65. The Monitor has consulted with the Pride Entities and has confirmed that the Medley Mortgage Indebtedness and Surplus BMO Amounts are consistent with the Pride Entities' books and records. On that basis, the Monitor supports the Pride Entities' request for an order directing that all net proceeds from the sale of the Medley Property be distributed to BMO, in full satisfaction of the amounts outstanding under the Medley Mortgage and in partial satisfaction of the Surplus BMO Amounts.

EDMONTON SALE APPROVAL AND DISTRIBUTION

66. The Monitor understands that the Edmonton Vendor purchased the Edmonton Property in 2022. The Edmonton Property was used by the Pride Entities as a dealership and for storage.

67. The Pride Entities retained CBRE Limited ("**CBRE**") to list the Edmonton Property on May 1, 2024. The marketing efforts for the Edmonton Property generated several informal indications of interest and four offers, cultivated a competitive process, and resulted in the highest and best offer being submitted by the Edmonton Purchaser. The Monitor oversaw the process undertaken by the Pride Entities for the sale of the Edmonton Property and is of the view that the Edmonton Property was sufficiently marketed to the public.

68. On January 22, 2025, the Edmonton Purchaser and the Edmonton Vendor entered into the Edmonton Sale Agreement. The Monitor understands that the Edmonton Purchaser is not a related party to the Pride Entities.

69. The Monitor is of the view that any additional sale or marketing efforts would result in additional costs incurred and would be unlikely to result in a materially better offer than that provided for under the Edmonton Sale Agreement.

The Edmonton Sale Agreement

70. A copy of the Edmonton Sale Agreement is attached to the Benson Affidavit as Exhibit "B". The relevant terms are as follows:[2]

Item	Term
Vendor	52 Street Edmonton Holding Inc.
Purchaser	2650296 Alberta Ltd.
Purchase Price	CAD$5,990,000
Deposit	CAD$400,000, which has been paid by the Edmonton Purchaser
Purchased Assets	All of the Vendor's right, title and interest in the Edmonton Property, the Assumed Obligations, the Assumed Contracts and the Leases
Material Condition(s)	The Court shall have issued the Approval and Vesting Order
Closing Date	30 days following the date on which the Approval and Vesting Order is granted by the Court, or such other date as the Parties may agree to writing

71. The Monitor has considered the purchase price payable under the Edmonton Sale Agreement. Following consultation with CBRE, Roynat and the DIP Agent, and review of available appraisal information, the Monitor is of the view it represents a fair and reasonable price for the Edmonton Property. The Monitor notes that the purchase price is higher than the price of $5,560,000 paid by the Pride Entities for the Edmonton Property in 2022.

72. As set out above, the gross purchase price under the Edmonton Sale Agreement is $5,990,000, which is subject to closing costs. The Monitor intends to work closely with the Pride Entities in connection with closing, including to supervise the closing costs, which

[2] The following table summarizing the terms of the Edmonton Sale Agreement is being provided for illustrative purposes only. Readers should consult the Edmonton Sale Agreement itself for a definitive statement of its terms. Capitalized terms used in the following chart and not otherwise defined shall have the meanings given to them in the Edmonton Sale Agreement.

are anticipated to include real estate fees and commissions, pre-closing taxes, pre-closing accrued utilities, and professional costs.

73. The Monitor recommends that the Court approve the Edmonton Sale Agreement for the following reasons:

(a) the Edmonton Property was sufficiently marketed through a listing arrangement with CBRE;

(b) the purchase price appears to be fair and reasonable;

(c) the Edmonton Sale Agreement is a result of a competitive sale process that produced several informal indications of interest and offers, and represents the highest realization available for the Edmonton Property in the circumstances;

(d) the DIP Agent and Roynat, in its capacity as mortgagee, each support the transaction contemplated by the Edmonton Sale Agreement; and

(e) the terms of the Edmonton Sale Agreement are commercially reasonable, and the expected closing date is expected to provide adequate time to close the transaction.

Edmonton Distribution to Roynat

74. The Edmonton Property is subject to a debenture in favour of Roynat in the principal amount of $100,000,000 (the "**Edmonton Mortgage**") and a general assignment of leases and rents in favour of Roynat (the "**Edmonton Assignment**").

75. A copy of a certificate of title for the Edmonton Property dated March 17, 2025 is attached to this Report as Appendix "E" (the "**Edmonton Certificate**").

76. The Monitor's Canadian Counsel has reviewed the security granted by Edmonton Vendor in respect of the Edmonton Property and issued a security opinion which is summarized below (the "**Edmonton Opinion**"). A copy of the Edmonton Opinion will be made available to the Court and any party with a demonstrated interest in the Edmonton Property

(or its proceeds), upon request, subject to the delivery by the requesting party of a non-reliance undertaking in form and substance acceptable to the Monitor.

77. The Edmonton Opinion concludes that, subject to customary assumptions and qualifications, (a) each of the Edmonton Mortgage and the Edmonton Assignment constitutes a legal, valid and binding obligation of Edmonton Vendor, enforceable against Edmonton Vendor by Roynat in accordance with its terms, (b) the Edmonton Mortgage creates a valid mortgage and charge on the Edmonton Property to secure all indebtedness of Edmonton Vendor to Roynat up to the principal amount of $100,000,000 plus interest described therein; and (c) subject to the prior registrations set forth in the Edmonton Certificate (which do not include any financial encumbrances), the Edmonton Mortgage and Edmonton Assignment are registered as first ranking charges against the Edmonton Property.

78. Accordingly, based on the Edmonton Opinion and subject to the assumptions and qualifications set out therein, the Monitor understands that Roynat has a first priority security interest in the Edmonton Property, securing the advances made by it under the Edmonton Mortgage as well as additional amounts owing by the Edmonton Vendor to Roynat.

79. Roynat has provided the Pride Entities and the Monitor with a payout statement, indicating that the total outstanding direct indebtedness secured against the Edmonton Property as of March 26, 2025 will be approximately $5,554,594 (the "**Edmonton Secured Indebtedness**").

80. In addition to the Edmonton Secured Indebtedness, the Monitor understands that the Edmonton Property is intended to be collateral for cross-collateralized amounts owing by the Edmonton Vendor, beyond the amounts owing under the Edmonton Mortgage directly. The Monitor has been advised by Roynat that the surplus, cross-collateralized amounts will

total approximately CAD$33,300,110 plus USD$22,757,608 as at March 26, 2025 (the "**Surplus Roynat Amounts**").[3]

81. The Monitor has consulted with the Pride Entities and has confirmed that the Edmonton Secured Indebtedness and Surplus Roynat Amounts are consistent with the Pride Entities' books and records. On that basis, the Monitor supports the Pride Entities' request for an order directing that all net proceeds from the sale of the Edmonton Property be distributed to Roynat, in full satisfaction of the amounts outstanding under the Edmonton Mortgage and, to the extent there are surplus net proceeds, in partial satisfaction of the Surplus Roynat Amounts.

FONTANA PROPERTY DISTRIBUTION

82. As part of the March Real Estate Motion, the Pride Entities have sought an order approving a transaction with respect to the Fontana Property. The sale of the Fontana Property is described in the Monitor's Twenty Third Report.

83. In the Twenty Third Report, the Monitor noted that the Fontana Property is subject to a deed of trust in favour of Roynat and certain liens relating to delinquent taxes and mechanic/construction liens are also registered against the Fontana Property. The Monitor's U.S. counsel has completed its review of the liens registered against the Fontana Property.

84. Attached at Appendix "F" is a title commitment with respect to the Fontana Property dated January 13, 2025 (the "**Fontana Title Certificate**").

Tax Liens

85. The Monitor understands that the Pride Entities do not dispute the delinquent tax amounts claimed pursuant to the liens shown in the Fontana Title Certificate (the "**Tax Liens**").

[3] The Surplus Roynat Amounts reflect all distributions that have been made to Roynat prior to the date of this Twenty Fourth Report, being distributions in respect of the Monroe Property, Indianapolis Property, Chehalis Property, Abbotsford Property and Cornwall Property. A distribution to Roynat has also been authorized in respect of the McFarland Property but that transaction has not closed as at the date of this Twenty Fourth Report.

86. The Monitor understands from its U.S. counsel, McDermott Will & Emery LLP ("**MWE**"), that the Tax Liens have priority over all other liens registered against the Fontana Property. As described in the Benson Affidavit, the Monitor understands that the designated escrow agent for the relevant U.S. title company will deduct from the purchase price an amount required to pay all outstanding property taxes, prior to the Monitor's receipt of the proceeds of sale upon closing of the transaction, and the designated escrow agent will remit such amounts directly to the relevant tax authority.

Roynat Mortgage

87. The Fontana Property is subject to a deed of trust with assignment of leases and rents, security agreement and fixture filing granted by the Fontana Vendor in favour of Stewart Title of California, Inc., as trustee, and Roynat as beneficiary (the "**Fontana Roynat Mortgage**").

88. The Monitor has retained Buchalter ("**Buchalter**"), a law firm licensed to practice in the State of California, to provide a security opinion regarding the Fontana Roynat Mortgage. Buchalter has reviewed the Fontana Roynat Mortgage and issued a security opinion which is summarized below (the "**Fontana Opinion**"). A copy of the Fontana Opinion will be made available to the Court and any party with a demonstrated interest in the Fontana Property (or its proceeds), upon request, subject to the delivery by the requesting party of a non-reliance undertaking in form and substance acceptable to the Monitor.

89. The Fontana Opinion concludes that, subject to customary assumptions and qualifications:

(a) the Fontana Roynat Mortgage contains customary and enforceable provisions such as to render the rights and remedies of the holder thereof adequate for the realization against the Fontana Property of the benefits of the security, including without limitation realization by judicial or, if applicable, non-judicial foreclosure, and there is no exemption available to Fontana Vendor which would interfere with such right of foreclosure;

(b) the Fontana Roynat Mortgage creates a valid lien and security interest in favour of Roynat in those portions of the Fontana Property that constitute real property

(including security interests in those portions of the collateral that constitute fixtures), as security for the payment or performance of the Secured Obligations (as defined in the Fontana Roynat Mortgage); and

(c) the Fontana Roynat Mortgage is in appropriate form to be recorded in the applicable local filing office, and such recordation perfects a lien on the Fontana Property and interests described therein.

Mechanic's Liens

90. As shown in the Fontana Title Certificate, the mechanic's liens registered on title to the Fontana Property (the "**Mechanic's Liens**") are:

(a) a lien claimed by Lord Constructors, Inc. ("**Lord**") in the amount of USD$466,273.04, registered on April 19, 2024;

(b) a lien claimed by Riley Electric Inc. ("**Riley**") in the amount of USD$49,235.26, registered on April 12, 2024; and

(c) a lien claimed by Vega Iron Works, Inc. ("**Vega**") in the amount of USD$65,055.00, registered on October 7, 2024.

91. A copy of each Mechanic's Lien is attached to the Benson Affidavit at Exhibits "E", "F" and "G". The Monitor understands that the Pride Entities do not dispute the amounts owing to these parties, except that certain of the amounts claimed by Lord (as general contractor) are duplicative of amounts claimed by Riley and Vega (as subcontractors).

92. The Monitor notes that each Mechanic's Lien was recorded on title to the Fontana Property after the commencement of these CCAA Proceedings on March 27, 2024 and after the Chapter 15 Proceedings were commenced on April 1, 2024.

93. The Monitor understands from MWE that under California law, in order for a mechanic's lien to be preserved, the claimant must file a civil complaint against the property owner within 90 days of recording its lien on title, or such longer period as the property owner agrees. If the claimant does not do so, the mechanic's lien expires.

94. The Monitor understands from the Pride Entities' U.S. Chapter 15 counsel, Linklaters LLP ("**Linklaters**"), that the stay of proceedings in the Chapter 15 Proceedings in certain circumstances does not prohibit actions taken by a lienholder to perfect a lien post-filing but does prohibit enforcement steps in relation to liens. The filing of a civil complaint against Fontana Vendor, while it is a step required under California law to preserve a mechanic's lien, may be a violation of the stay of proceedings under the U.S. Bankruptcy Code. In such a circumstance, the U.S. Bankruptcy Code provides an alternative that allows the lienholder to preserve its lien without violating the stay of proceedings by giving notice within the relevant time period fixed by applicable non-bankruptcy law for commencement of an action.

95. The Pride Entities have confirmed that neither Riley nor Vega have filed a civil complaint against Fontana Vendor, nor given the Fontana Vendor any notice of an intention to do so, as of the date of this Twenty Fourth Report. The Monitor instructed MWE to conduct a litigation search in California with respect to the Fontana Vendor, and such search confirmed that no civil complaint had been filed by Riley or Vega against the Fontana Vendor in California as of March 13, 2025. The Pride Entities have confirmed that Fontana Vendor did not agree with Riley or Vega to extend the applicable 90-day period.

96. Accordingly, based on the above, the Monitor understands that the mechanic's liens recorded on title to the Fontana Property by Riley and Vega have expired and should be removed from title.

97. Lord filed a civil complaint commencing an action against the Fontana Vendor and Pride Group Enterprises, LLC in the Superior Court of California, for the County of San Bernardino on July 17, 2024 ("**Lord's Civil Complaint**"), within 90 days of the date of recording its lien on title to the Fontana Property. A copy of Lord's Civil Complaint is attached as Exhibit "H" to the Benson Affidavit. The Monitor understands from Linklaters that this was likely a violation of the stay of proceedings in the Chapter 15 Proceedings.

98. The Monitor understands that, after being served with Lord's Civil Complaint, the Pride Entities advised Lord's counsel of the ongoing insolvency proceedings and stay of proceedings, and no further steps have been taken in respect of that litigation.

99. On February 4, 2025, Lord served a notice of pendency of action (lis pendens), a copy of which is attached as Appendix "G". This notice was also recorded on title to the Fontana Property (as shown in the Fontana Title Certificate).

100. The Monitor understands from MWE that under California law, this type of notice is to be filed within 20 days after the underlying action has commenced. This timeline was not adhered to by Lord (Lord's Civil Complaint having been filed on July 17, 2024). The Monitor understands from MWE that there are differing decisions of California courts as to whether the untimely filing of this notice is fatal to a mechanic's lien.

101. Accordingly, there is some uncertainty as to whether Lord's Mechanic's Lien is valid. As set out below, the Monitor has proceeded to consider the priority of Lord's Mechanic's Liens, if it is valid, relative to the priority of the Fontana Roynat Mortgage.

Priority of Roynat Mortgage and Mechanic's Liens

102. The Monitor understands from MWE that under California law, the relative priority of a valid deed of trust or mortgage vis-à-vis a valid mechanic's lien is based on the date of registration of the deed of trust/mortgage and the date on which the mechanic's lien claimant began performing the relevant work on the property.

103. As shown in the Fontana Title Certificate, the Fontana Roynat Mortgage was originally recorded on April 1, 2021. The original Fontana Roynat Mortgage states that it secures, among other things, all obligations at any time owing under credit facilities in the original principal amount of USD$23,500,000. A supplement to the Fontana Roynat Mortgage was recorded on May 11, 2023, which, among other things, increased the above-referenced original principal amount to USD$85,000,000.

104. The Mechanic's Lien registered by Lord and Lord's Civil Complaint state that the claim is based on work performed pursuant to a contract dated July 20, 2022, but do not state the date that Lord began performing the relevant work on the property. The Benson Affidavit states that Lord commenced design work in June 2021 and commenced construction work in July 2022.

105. Accordingly, based on the advice given to the Monitor by MWE and the above-referenced dates, the Monitor understands that the original Fontana Roynat Mortgage has priority over Lord's Mechanic's Lien.

106. The Monitor has not sought detailed advice regarding the relative priority of the supplement to the Fontana Roynat Mortgage (which increased the amount of the obligations secured thereby) because the amount of the obligations secured by the original Fontana Roynat Mortgage exceeds the purchase price for the Fontana Property (USD$17,650,000).

107. The Monitor notes that if the Mechanic's Liens recorded by Riley and/or Vega have not expired (notwithstanding that they have not been preserved by the filing of a civil complaint or by giving a notice of intention to commence an enforcement action within the requisite 90-day period, based on the stay of proceedings in the Chapter 15 Proceedings or otherwise), the same priority analysis would apply and the original Fontana Roynat Mortgage would have priority over such Mechanic's Liens.

108. The Mechanic's Liens recorded by Riley and Vega do not state the date on which they began performing the relevant work on the property. The Benson Affidavit states that Riley commenced work on the Fontana Property in August 2022 and Vega commenced work on the Fontana Property in November 2022, in each case after the original Fontana Roynat Mortgage was registered on April 1, 2021.

Distribution to Roynat

109. Accordingly, based on the Fontana Opinion, subject to the assumptions and qualifications set out therein, the Fontana Title Commitment, the advice given to the Monitor by MWE, and the relevant dates and other information discussed above, the Monitor understands that, subject to the Tax Liens (which are to be paid in full in advance of the Monitor's receipt of the sale proceeds), the Fontana Roynat Mortgage secures a first priority interest in favour of Roynat over the Fontana Property, at least to the extent of the amounts secured under the original Fontana Roynat Mortgage.

110. Roynat and the Pride Entities have confirmed that there is no outstanding indebtedness owing directly with respect to the Fontana Property. However, both the original and supplemented Fontana Roynat Mortgage state, and the Fontana Opinion confirms, that the security interest created by the Fontana Roynat Mortgage is collateral for cross-collateralized amounts owing to Roynat (being the Surplus Roynat Amounts defined above).

111. The Surplus Roynat Amounts exceed the purchase price of the Fontana Property, even after accounting for the distributions to Roynat authorized or proposed with respect to other properties that have not yet closed, being (a) the McFarland Property (discussed in the Twenty First Report, with a purchase price of USD$3,100,000), (b) the Regina Property (discussed in the Twenty Third Report, with a purchase price of CAD$2,050,000), and (c) the Edmonton Property (discussed above).

112. On that basis, the Monitor supports the Pride Entities' request for an order directing that all net proceeds from the sale of the Fontana Property received by the Monitor (which, as set out above, will be net of amounts required to pay the Tax Liens), be distributed to Roynat, in partial satisfaction of the Surplus Roynat Amounts.

113. The Monitor understands that Lord, Riley and Vega, and Lord's California counsel, have been served with the Pride Entities' motion materials with respect to the motion returnable March 27, 2025, and will be served with this Twenty Fourth Report.

APPROVAL OF AMENDMENT TO HIGH PRAIRIE TRANSACTION

114. On December 13, 2024, the Court granted an approval and vesting order approving a sale (the "**High Prairie AVO**") of the real property municipally known as 3375 High Prairie Road, Grand Prairie, Texas (the "**High Prairie Property**") owned by the Applicant, High Prairie Texas Holding Corp. (the "**High Prairie Vendor**").

115. An order authorizing the distribution of net sale proceeds to the Syndicate Agent, as mortgagee, was granted on February 4, 2025.

116. That transaction was originally expected to close on or prior to December 31, 2024, but was delayed due to vandalism that took place at the site.

117. The Pride Group filed an insurance claim with respect to the vandalism and directed that the insurance proceeds be paid directly to the Monitor. The Monitor received and is holding in trust insurance proceeds in the amount of USD$255,728.50.

118. The Monitor and the Pride Entities have been working with the High Prairie Purchaser and consulting with the Syndicate Agent as mortgagee to find a mutually agreeable solution so that the transaction can proceed.

119. The Pride Entities and the High Prairie Purchaser are currently in the process of finalizing an amendment to the original sale agreement, which is expected to reflect a purchase price reduction and a new closing date. The Monitor intends to provide an update and further detail in this regard in a supplemental report prior to the March 27, 2025 hearing date, should the amendment be finalized before the hearing.

APPROVAL OF THE MONITOR'S REPORTS AND ACTIVITIES

120. By Orders dated May 6, 2024, May 15, 2024 and February 28, 2025, the Court approved the Monitor's Prior Reports, up to and including the Twentieth Report and the Supplement to the Twentieth Report, and the activities of the Monitor set out therein.

121. Approval of the Twenty First Report, the Twenty First Report Supplements, the Twenty Second Report and the Twenty Third Report (together, the "**Relevant Reports**"), and the activities of the Monitor set out therein is being sought as part of the Requested Relief.

122. Each Relevant Report was served on the Service List and each contain descriptions of activities undertaken by the Monitor.

123. The Twenty First Report relates to the Distributions and Ancillary Relief Order, the Amended Calgary Approval Order, the February Sale Approval Orders and the February DIP Distribution Order, which were granted on February 4, 2025.

124. The Twenty First Report Supplements relate to the PGL Interim Distribution Order. On February 19, 2025, aspects of the PGL Interim Distribution Order were adjourned as discussed above and the PGL Ancillary Relief Order was granted on February 28, 2025.

125. The Twenty Second Report relates to the Deferred Lease Payments and Ancillary Relief Order, which was granted on February 28, 2025.

126. The Twenty Third Report relates to the March Real Estate Motion.

127. The Monitor has undertaken its duties, as prescribed by the CCAA and the Second ARIO, in good faith and with due diligence, to facilitate these CCAA Proceedings.

128. In the Monitor's view, it is just and appropriate for the Relevant Reports and the activities referred to therein to be approved by this Court, provided that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

RECOMMENDATIONS

129. For the reasons set out above, the Monitor recommends that this Court grant the Requested Relief.

All of which is respectfully submitted this 24th day of March, 2025.

ERNST & YOUNG INC.,
solely in its role as Court-appointed Monitor of
Pride Group Holdings Inc. and certain affiliates
and not in its personal or corporate capacity



Per: _____

Alex Morrison, CPA, CA, LIT, CIRP
Senior Vice President



Per: _____

Karen Fung, CPA, CA, LIT, CIRP
Senior Vice President

SCHEDULE "A"

A. APPLICANTS

Operating Entities

Canadian Operating Entities

- PRIDE TRUCK SALES LTD.
- TPINE TRUCK RENTAL INC.
- PRIDE GROUP LOGISTICS LTD.
- PRIDE GROUP LOGISTICS INTERNATIONAL LTD.
- TPINE LEASING CAPITAL CORPORATION
- DIXIE TRUCK PARTS INC.
- PRIDE FLEET SOLUTIONS INC.
- TPINE FINANCIAL SERVICES INC.
- PRIDE GROUP EV SALES LTD.

U.S. Operating Entities

- TPINE RENTAL USA, INC.
- PRIDE GROUP LOGISTICS USA, CO.
- ARNOLD TRANSPORTATION SERVICES, INC.
- DIXIE TRUCK PARTS INC.
- TPINE FINANCIAL SERVICES CORP.
- PARKER TRANSPORT CO.
- PRIDE FLEET SOLUTIONS USA INC.

Real Estate Holding Companies

Canadian Real Estate Holding Companies

- 2029909 ONTARIO INC.
- 2076401 ONTARIO INC.
- 1450 MEYERSIDE HOLDING INC.
- 933 HELENA HOLDINGS INC.
- 30530 MATSQUI ABBOTSFORD HOLDING INC.
- 2863283 ONTARIO INC.
- 2837229 ONTARIO INC.
- 2108184 ALBERTA LTD.
- 12944154 CANADA INC.
- 13184633 CANADA INC.
- 13761983 CANADA INC.
- 102098416 SASKATCHEWAN LTD.
- 177A STREET SURREY HOLDING INC.
- 52 STREET EDMONTON HOLDING INC.
- 84 ST SE CALGARY HOLDINGS INC.
- 68TH STREET SASKATOON HOLDING INC.

- 3000 PITFIELD HOLDING INC.

U.S. Real Estate Holding Companies

- PGED HOLDING, CORP.
- HIGH PRAIRIE TEXAS HOLDING CORP.
- 131 INDUSTRIAL BLVD HOLDING CORP.
- 59TH AVE PHOENIX HOLDING CORP.
- DI MILLER DRIVE BAKERSFIELD HOLDING CORP.
- FRONTAGE ROAD HOLDING CORP.
- ALEXIS INVESTMENTS, LLC
- TERNES DRIVE HOLDING CORP.
- VALLEY BOULEVARD FONTANA HOLDING CORP.
- HIGHWAY 46 MCFARLAND HOLDING CORP.
- TERMINAL ROAD HOLDING, CORP.
- BISHOP ROAD HOLDING CORP.
- OLD NATIONAL HIGHWAY HOLDING CORP.
- 11670 INTERSTATE HOLDING, CORP.
- 401 SOUTH MERIDIAN OKC HOLDING CORP.
- 8201 HWY 66 TULSA HOLDING CORP.
- EASTGATE MISSOURI HOLDING CORP.
- FRENCH CAMP HOLDING CORP.
- 87TH AVENUE MEDLEY FL HOLDING CORP.
- LOOP 820 FORT WORTH HOLDING CORP.
- 162 ROUTE ROAD TROY HOLDING CORP.
- CRESCENTVILLE ROAD CINCINNATI HOLDING CORP.
- MANHEIM ROAD HOLDING CORP.
- 13TH STREET POMPANO BEACH FL HOLDING CORP.
- EAST BRUNDAGE LANE BAKERSFIELD HOLDING CORP.
- CORRINGTON MISSOURI HOLDING CORP.
- 963 SWEETWATER HOLDING CORP.
- OAKMONT DRIVE IN HOLDING CORP.

Other Holding Companies

Other Canadian Holding Companies

- 2692293 ONTARIO LTD.
- 2043002 ONTARIO INC.
- PRIDE GROUP HOLDINGS INC.
- 2554193 ONTARIO INC.
- 2554194 ONTARIO INC.
- PRIDE GROUP REAL ESTATE HOLDINGS INC.
- 1000089137 ONTARIO INC.

Other U.S. Holding Companies

- COASTLINE HOLDINGS, CORP.

- PARKER GLOBAL ENTERPRISES, INC.
- DVP HOLDINGS, CORP.

B. LIMITED PARTNERSHIPS

U.S. Limited Partnerships

- PRIDE TRUCK SALES L.P.
- TPINE LEASING CAPITAL L.P.
- SWEET HOME HOSPITALITY L.P.

C. ADDITIONAL STAY PARTIES

Canadian Additional Stay Parties

- BLOCK 6 HOLDING INC.
- 2500819 ONTARIO INC.

U.S. and Other Additional Stay Parties

- PERGOLA HOLDINGS, CORP.

Appendix "A"

Background of these CCAA Proceedings

1. The Monitor filed a Pre-Filing Report dated March 27, 2024, in connection with the CCAA Application.

2. On April 1, 2024, the Foreign Representative commenced cases under chapter 15 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "**US Court**") for certain of the Pride Entities. The Chapter 15 Cases are being jointly administered as *In re Pride Group Holdings Inc.*, Case No. 24-10632 (CTG) before U.S. Bankruptcy Judge Craig T. Goldblatt (the "**Chapter 15 Proceedings**").

3. The comeback hearing was heard on Friday, April 5, 2024 (the "**Comeback Hearing**"), where the Pride Entities sought and obtained an amended and restated initial order (the "**ARIO**"). The Monitor filed its First Report to Court, dated April 4, 2024 (the "**First Report**") in connection with the Comeback Hearing. The ARIO, among other things, extended the stay of proceedings (the "**Stay Period**") to June 30, 2024, approved the term sheet for the DIP Facility and granted other relief as further described in the First Report.

4. At the Comeback Hearing, the Court also granted an order approving certain protocols (the "**Protocols Order**"), including the Governance Protocol set out in Schedule "B" thereto (the "**Governance Protocol**") and the Real Estate Monetization Plan set out in Schedule "C" thereto (the "**Real Estate Protocol**"). The Governance Protocol was approved subject to parties returning to Court on a without prejudice basis on April 19, 2024, for the approval of proposed revisions to the Governance Protocol ("**Revised Governance Protocol**"), which was subsequently adjourned to April 25, 2024, on consent. The Monitor filed its Second Report to Court, dated April 24, 2024 (the "**Second Report**") in connection with this April 19, 2024 return date, which was further adjourned to May 15, 2024, on consent, to give the Monitor, the Pride Entities, and the CRO additional time to negotiate the Revised Governance Protocol with affected stakeholders.

5. The Monitor filed its Supplement to the Second Report to Court on May 6, 2024, to provide information to the Court in respect of ongoing negotiations and terms of the Revised Governance Protocol from the date of the Second Report.

6. On May 6, 2024, the Pride Entities brought a motion for an approval and vesting order in respect of the sale of certain real property in Bolingbrook, Illinois (the "**Bolingbrook Property**") and to amend and restate the ARIO. The Monitor filed its Third Report to Court, dated May 2, 2024, in connection with such motion. The Court granted orders approving the sale of the Bolingbrook Property and amending and restating the ARIO (the "**Second ARIO**").

7. On May 5, 2024, the Pride Entities brought a motion, seeking, among other things, (i) an order approving a sale and marketing process for the business, operations, and assets ("**PGL Sale Process**") of Pride Group Logistics Ltd. ("**PGL**"), Pride Group Logistics USA, Co., Pride Global Insurance Company Ltd., Pride Group Logistics International Ltd., Pride Fleet Solutions Inc., Pride Fleet Solutions USA Inc., 2029909 Ontario Inc., 12944154 Canada Inc., 13184633 Canada Inc., 2837229 Ontario Inc., 2043002 Ontario Inc. and, for the purposes of certain vehicles in the PGL Sale Process, TPine Leasing Capital (collectively, the "**PGL Entities**"), and (ii) an approval and vesting order in respect of the sale of certain property in Chehalis, Washington (the "**Chehalis Property**"). The Monitor filed its Fourth Report to Court, dated May 10, 2024 in connection with same (the "**Fourth Report**").

8. On May 13, 2024, the Monitor filed its Fifth Report to Court (the "**Fifth Report**"), which provided the Court and stakeholders with an update on the status and ongoing work with respect to: (i) secured facility reviews, (ii) securitization facility reviews, and (iii) the entitlement claims process. On May 15, 2024, the Court granted orders approving, among other things, the PGL Sale Process, the sale of the Chehalis Property, and the Amended and Restated Protocols Order, dated May 15, 2024, which included the Revised Governance Protocol.

9. On June 14, 2024, the Pride Entities brought a motion seeking approval of the entitlement claims process (the "**Entitlement Claims Process**", with such Order being the "**Entitlement Claims Process Order**"). The Monitor filed its Sixth Report to Court, dated June 13, 2024 (the "**Sixth Report**"), in connection with same. On June 14, 2024, the Court granted the Entitlement Claims Process Order.

10. On June 27, 2024, the Pride Entities brought motions seeking (i) the extension of the Stay Period (as defined in the Second ARIO) to and including September 30, 2024, (ii) the entry of a consent order authorizing Regions Equipment Finance Corporation ("**REFCO**") and Regions Commercial Equipment Finance, LLC ("**RCEF**", and together with REFCO, "**Regions Equipment Finance**") to sell certain vehicles surrendered to Regions Equipment Finance pre-filing, and (iii) the entry of a consent order authorizing Daimler Truck Financial Services Canada Corporation ("**DTF Canada**") and Daimler Truck Financial Services USA LLC ("**DTF US**", and together with DTF Canada, "**Daimler**") to sell certain vehicles surrendered to Daimler pre-filing. The Monitor filed its Seventh Report to Court, dated June 26, 2024, in connection with these motions. On June 27, 2024, the Court granted the order extending the Stay Period as well as the consent orders referred to above.

11. On July 3, 2024, the Pride Entities brought a motion seeking (i) an order approving the amendment and extension of the Fourth Amended and Restated Credit Agreement executed on May 10, 2024 ("**FARCA**"), and (ii) the entry of a consent order authorizing VFS Canada Inc. ("**VFS Canada**") and VFS U.S. LLC ("**VFS US**", and together with VFS Canada, "**VFS**") to sell certain vehicles surrendered to VFS pre-filing. The Monitor filed its Eighth Report to Court, dated July 2, 2024 (the "**Eighth Report**") in connection with this motion. On July 3, 2024, the Court granted the orders referred to above.

12. On July 16, 2024, the Pride Entities brought a motion seeking, among other things, (i) entry of an order in respect of certain unreturned collateral financed by Regions Equipment Finance, (ii) an order approving the distribution of net proceeds of sale of the Chehalis Property to Roynat Inc. ("**Roynat**", with such order being the "**Chehalis Net Proceeds Distribution Order**"), and (iii) an order approving a transaction contemplated by a factoring portfolio purchase agreement (the "**Factoring Transaction**") between TPine Financial Services Inc. ("**TPine Financial**"), as vendor, and J D Factors Corporation / Corporation D'affacturage J D, as purchaser. The Monitor filed its Ninth Report to Court, dated July 13, 2024, in connection with same (the "**Ninth Report**"). Separately, the Monitor filed a Supplement to the Ninth Report of the Monitor on July 15, 2024 (the "**Supplement to the Ninth Report**"), which Supplement to the Ninth Report included an update on the Monitor's review of the securitization facilities. On July 16, 2024, the Court

granted the orders referred to in points (i) and (ii) above. The motion seeking the approval of the Factoring Transaction was adjourned until August 7, 2024. An order granted on that date approved the Factoring Transaction, which closed on September 6, 2024.

13. On July 21, 2024, the Pride Entities brought a motion seeking, among other things, (i) an order respecting the transition and relinquishment of servicing and other duties under certain Securitization Programs where the outcome of the Monitor's proprietary interest assessment with respect to an applicable Securitization Party's ownership entitlement to such assets is favourable, and (ii) set out the terms and conditions upon which such turn-over may occur. The Monitor filed its Tenth Report to Court, dated July 21, 2024 (the "**Tenth Report**"), in connection with same, which Tenth Report included the Monitor's view with respect to certain of the Securitization Programs. On August 8, 2024, the Court granted an order in respect of, among other things, the turn-over of securitized assets (the "**Securitized Assets Turn-Over Order**").

14. The Monitor filed its Supplement to the Tenth Report on August 1, 2024 (the "**Supplement to the Tenth Report**"), which provided a proposed methodology for consideration by the stakeholders and the Court for the allocation of the direct legal fees and disbursements of the Securitization Program review undertaken by the Monitor's Canadian counsel, Blake, Cassels & Graydon LLP ("**Canadian Counsel**"), and U.S. counsel, McDermott, Will & Emery LLP ("**U.S. Counsel**") on a fair and equitable basis as a necessary cost of transitioning among the Subject Assets subject to the Reviewed Programs (the "**Validation Mandate Fee Proposal**") (as such terms are defined in the Supplement to the Tenth Report). No hearing date has been set to approve the Validation Mandate Fee Proposal, and the Monitor expects to engage with stakeholders prior to such hearing date.

15. The Monitor filed its Eleventh Report to the Court on August 2, 2024 (the "**Eleventh Report**"), which provided the Court with information pertaining to the Monitor's review of the security interests asserted by Secured Creditors (as defined therein), including, but not limited to, the Monitor's view as to whether each Secured Creditor had, as at July 31, 2024, provided sufficient evidence of a perfected and priority interest in specific vehicles

which are owned by the Pride Entities and identified and tracked by vehicle identification numbers (with the exception of Multiple Collateral Vehicles and each, an "**MCV**").

16. On August 2, 2024, Royal Bank of Canada in its capacity as the DIP Agent (in such capacity, the "**DIP Agent**") brought a motion, on a date to be set by the Court, for the appointment of Alvarez & Marsal Canada Inc. (the "**Proposed Collateral Manager**") as manager, an officer of the Court (in such capacity, the "**Collateral Manager**"), of those assets, undertakings and properties of the Pride Entities/Syndicate Lenders, including all proceeds thereof, included in the definition of "Management Property" in the proposed Syndicate Collateral Management Order and lifting the stay of proceedings granted in these CCAA Proceedings to the extent necessary to give effect to the appointment of the Proposed Collateral Manager as Collateral Manager and the other relief set out in the Syndicate Collateral Management Order. This motion did not proceed.

17. On August 7, 2024, the Pride Entities brought a motion seeking, among other things, (i) an approval and vesting order in respect of the sale of certain property in Abbotsford, British Columbia (the "**Abbotsford Property**") and approving the distribution of net proceeds of sale to Roynat, and (ii) an approval and vesting order in respect of the sale of certain property in Cornwall, Ontario (the "**Cornwall Property**") and approving the distribution of net proceeds of sale to Roynat. The Monitor filed its Twelfth Report to the Court on August 6, 2024 (the "**Twelfth Report**") in respect of this motion and to provide updates to the Court in respect of the PGL Sale Process and the Factoring Transaction. On August 7, 2024, the Court granted orders approving both real property sales referred to above

18. On August 9, 2024, the Pride Entities brought a motion, seeking, among other things, an order (i) authorizing and entitling the Pride Entities to apply any Lease Payments and Soft Collections (each as defined in the Affidavit of Randall Benson, sworn August 7, 2024) received from and after July 15, 2024 until September 3, 2024 to pay their ordinary course working capital needs and for other general corporate purposes (the "**August Deferred Payments**"), but excluding Lease Payments and Soft Collections (a) in respect of MCVs, (b) in which a Securitization Party has claimed an interest, or (c) in respect of any Subject Asset or MCV Asset (as defined in the Securitized Assets Turn-Over Order), provided that

the Pride Entities continue to abide by the reporting and record-keeping obligations in respect of such August Deferred Payments as set out in the Revised Governance Protocol, and (ii) approving the Pride Entities' execution of a non-binding indicative term sheet (the "**Indicative Term Sheet**") between Nations Capital, LLC, as Agent, 1903P Loan Agent, LLC or is affiliates and Pride Group Holdings, Inc, as borrower, to facilitate a proposed interim financing facility (the "**New Interim Financing Facility**"), and seeking the limited approval of the payment of due diligence fees and negotiations of the New Interim Financing Facility and wind-down plan, subject to Court approval.

19. The Monitor filed its Thirteenth Report to the Court on August 8, 2024 (the "**Thirteenth Report**") in respect of the foregoing motion and to provide updates to the Court in respect of the Validation Mandate, the DIP Facility, and the status of the Pride Entities' liquidity.

20. On August 9, 2024, the Court granted an Order (i) amending the Revised Governance Protocol to permit the Pride Entities to use the August Deferred Payments subject to the Monitor's review and oversight, provided that (a) the aggregate amount of the August Deferred Payments do not exceed the aggregate amount contemplated in the cash flow forecast (subject to a 10% positive variance), (b) the Pride Entities continue to abide by the reporting and record-keeping obligations in respect of such August Deferred Payments, among other things, and (c) the amount of the August Deferred Payments will be allocated by further order of the Court; and (ii) adjourning the Pride Entities' motion to approve certain provisions of the Indicative Term Sheet *sine die*.

21. On August 9, 2024, the Court issued an endorsement which provided that, among other things, the CRO and the Pride Entities, in consultation with the Monitor, shall immediately engage with the Pride Entities' significant financiers in an effort to develop an orderly wind-down proposal in respect of the Pride Entities, including the funding required in respect of such proposal and completion of the CCAA Proceedings.

22. The Pride Entities brought a motion returnable on September 3, 2024 seeking, among other things, (i) an order extending the Pride Entities' ability to use Lease Payments and Soft Collections received from and after September 3 until September 30, 2024 to pay their ordinary course working capital needs and for other general corporate purposes (the

"**Extended Deferred Payments**" and collectively with the August Deferred Payments, the "**Total Deferred Payments**") and authorizing the sale of MCVs not subject to an active lease, (ii) approval of the PGL Sale Agreement, and (iii) advice and directions relating to alternate relief in respect of the PGL Entities and a wind-down of the Pride Entities. Advice and directions were sought for an orderly wind-down process, in a collective response to the lift stay motions also returnable on September 3, 2024.

23. The Monitor filed its Fourteenth Report to the Court on August 28, 2024 (the "**Fourteenth Report**"), as well as a First Supplement to the Fourteenth Report dated September 2, 2024 (the "**First Supplement to the Fourteenth Report**") in respect of the foregoing motion.

24. On September 3, 2024, the Court granted orders which, among other things, (i) amended the Order amending the Revised Governance Protocol, dated August 9, 2024 to permit use of the Extended Deferred Payments, in accordance with the provisions contained in such order, (ii) increased the Administration Charge to an aggregate amount of $5 million, and (iii) expunged and discharged any liens registered against any assets owned by the Pride Entities pursuant to the Repair and Storage Lien Act (Ontario), or equivalent statutes (a "**Repair Lien**"), upon payment of the amount of such lien as registered in the applicable personal property registry to the Monitor in trust, pending the resolution or determination of the validity and/or quantum of such lien claims, in accordance with the terms of such order.

25. The Court issued an Endorsement on the same date (the "**September 3 Endorsement**") which directed affected parties to attend before The Honourable Thomas McEwen, former Team Lead of the Commercial List, on September 9, 2024, and if and as necessary and as Mr. McEwen may direct, September 10, 2024, to mediate the issues in dispute at the September 3, 2024 hearing and attempt to resolve or at least narrow the issues (the "**Mediation Issues**", with the underlying mediation referred to herein as the "**Mediation**").

26. The Monitor filed its Second Supplement to the Fourteenth Report on September 19, 2024 (the "**Second Supplement to the Fourteenth Report**") to provide the Court with information pertaining to the Mediation, the Orderly Wind-Down Plan, the Funding Contribution Proposal, and the Pride Entities' motion for, among other things, (i) approval

of the implementation of the Orderly Wind-Down Plan, (ii) approval of the Funding Contribution Proposal (all as defined in the Second Supplement to the Fourteenth Report), (iii) termination of the Revised Governance Protocol, (iv) approval of deadlines for monetization of Remaining Assets, and MCVs where entitlement is not resolved on a timely basis, and (v) the Wind-Down Funding Contribution and Turn-Over Order (the "**Funding Order**"). Such motion was returnable before the Court on September 26, 2024.

27. The Monitor filed its Fifteenth Report to the Court on September 22, 2024 (the "**Fifteenth Report**") to provide the Court with information pertaining to, among other things, the Pride Entities' updated cash flow forecast from September 7, 2024 to March 30, 2025 on a consolidated basis (the "**Wind-Down Cash Flow Forecast**"), and the Pride Entities' motion for, among other things, (i) extending the Stay Period to March 31, 2025, and (ii) approving a key employee retention plan (the "**KERP**"). This motion was also returnable before the Court on September 26, 2024.

28. The Monitor filed its Third Supplement to the Fourteenth Report dated September 23, 2024 (the "**Third Supplemental Report**") to provide information and updates to the Court with respect to the motion for the approval of the PGL Going Concern Transaction contemplated by the PGL Sale Agreement, as amended pursuant to the amendments discussed therein (the "**A&R PGL Sale Agreement**"), and vesting the Purchased Assets in the Purchaser (each as defined in the A&R PGL Sale Agreement), and the Monitor's recommendation in respect to same.

29. On September 26, 2024, the Court issued an Endorsement (the "**PGL Endorsement**") approving the PGL Going Concern Transaction contemplated by the A&R PGL Sale Agreement and on September 26, 2024, the Court granted an Approval and Vesting Order with respect to the PGL Going Concern Transaction (the "**PGL AVO**").

30. On September 30, 2024, the Court issued an Endorsement (the "**September 26 Endorsement**") which, among other things, set out its reasons for declining to grant the Funding Order and extended the Stay Period to and including November 29, 2024. Since the proposed KERP was dependent upon the Funding Order being granted, the approval of

the KERP was also declined without prejudice to the ability of the Pride Entities to seek such relief at a later date.

31. On October 10, 2024, the Pride Entities brought a motion seeking approval of a Wind-Down, Liquidity Contribution Alternative and Turn-Over Order attached in draft to the Notice of Motion ("**Wind-Down Order**") that, among other things: (a) approved the Wind-Down Plan (as defined in the Sixteenth Report of the Monitor dated October 9, 2024 (the "**Sixteenth Report**")); (b) approved the Wind-Down Cash Flow Forecast; (c) approved the Asset Monetization Proposal (as defined in the Sixteenth Report); and (d) approved a term sheet between the Pride Entities and Nations Capital, LLC ("**NCI**") setting out the principal terms of the engagement of NCI as the Pride Entities' agent to sell certain assets of the Pride Entities (the "**NCI Term Sheet**") and authorized the CRO to enter into a definitive agreement with NCI on the principal terms of the NCI Term Sheet. At the same time, the Pride Entities brought forward a motion for approval of the proposed KERP and an extension of the Stay Period to and including March 31, 2025 (the "**Stay Extension and KERP Approval Order**").

32. On October 19, 2024, the Court issued an Endorsement granting the Wind-Down Order.

33. On October 17, 2024, RBC, in its capacity as administrative agent to the Syndicate (the "**Syndicate Agent**"), brought a motion for an Order appointing Alvarez & Marsal Canada Inc. ("**A&M**") as collateral manager of the Management Property (as defined therein) (the "**Syndicate Collateral Manager**"), including the proceeds thereof, and lifting the Stay of Proceedings to give effect thereto (the "**Syndicate Collateral Management Order**") and an order granting the Syndicate Collateral Manager the authority to sell the Management Property. The Syndicate Collateral Management Order was granted the same day.

34. On November 1, 2024, an Order was granted amending the Syndicate Collateral Management Order.

35. On November 8, 2024, the Monitor filed the Seventeenth Report of the Monitor (the "**Seventeenth Report**") in connection with a motion by the Pride Entities returnable on November 13, 2024, seeking (a) approval of real property sales in Alberta and Michigan

(the "**Sale Approval Orders**"), (b) an amendment to the Wind-Down Order to permit the Recourse Lenders to sell the Transferred Assets (as defined in the Wind-Down Order) without any notice of disposal of collateral requirements under the Personal Property Security Act or similar legislation (the "**WDO Amendment Order**"), (c) an Order pursuant to the Wage Earner Protection Program Act ("**WEPPA**") declaring that the Canadian Pride Entities meet the criteria prescribed by the WEPPA regulations (the "**WEPPA Order**"), and (d) an order authorizing NCI to sell the inventory, assets and property of Dixie Truck Parts Inc. (the "**Dixie Sale Order**").

36. The Monitor also filed a Supplement to the Seventeenth Report dated November 12, 2024 (the "**Supplement to the Seventeenth Report**"), which provided updates to stakeholders regarding the ongoing implementation of the Wind-Down Order and other inventory turn-over issues, as well as an update on the PGL Going Concern Transaction, which closed on Thursday, November 7, 2024.

37. On November 13, 2024, the Court granted the Sale Approval Orders, the WDO Amendment Order and the WEPPA Order. The hearing of the Dixie Sale Order was adjourned to Friday, November 22, 2024.

38. Also on November 13, 2024, National Bank of Canada ("**NBC**") served a motion record, returnable on November 18, 2024 (the "**November 18 NBC Motion**"), seeking a lifting of the stay of proceedings in the CCAA Proceedings for an order (a) appointing FTI Consulting Canada Inc. as receiver and manager (in such capacity, the "**NBC Receiver**") of 12944154 Canada Inc., 13184633 Canada Inc. and 2837229 Ontario Inc. (collectively, the "**Receivership Entities**"), in respect of the real property located at (i) 1943 and 1945 55th Avenue and lot number 1 524 640, Dorval, Quebec (the "**Dorval Property**"), (ii) 3550-3590 Pitfield Boulevard, Montreal, Quebec (the "**3550 Pitfield Property**"), (iii) 3600-3650 Pitfield Boulevard, Montreal, Quebec (the "**3600 Pitfield Property**") and (iv) 10874 Steeles Avenue, East, Halton Hills, Ontario (the "**Steeles Property**", together with the Dorval Property, the 3550 Pitfield Property and the 3600 Pitfield Property, the "**Receivership Properties**", with such order being referred to as the "**NBC Receivership Order**"); and (b) in the alternative, authorizing NBC to set-off post-filing mortgage

payments owed to it on each of the Receivership Properties against post-filing rent collections/proceeds from the Receivership Properties and/or to authorize NBC to exercise its rights pursuant to its security interests in the rental income of the Receivership Properties (the "**Rent Enforcement Order**"). The Monitor filed the Eighteenth Report of the Monitor on November 17, 2024 (the "**Eighteenth Report**") in connection with the November 18 NBC Motion, which provided its recommendation for the Court to decline to grant the NBC Receivership Order, and to grant the Rent Enforcement Order. On November 18, 2024, the Court granted the Rent Enforcement Order.

39. On November 22, 2024, the Court granted an Order which authorized and empowered NCI, pursuant to the terms of the Agency Agreement between NCI and the Pride Entities dated November 7, 2024, to market for sale and sell the inventory, assets and property owned by Dixie Truck Parts Inc., in accordance with the sale process developed by NCI in consultation with the Monitor and CRO.

40. On December 9, 2024, the Court granted an order amending and restating the Sale Approval Order in connection with the real property located at 20804 Stony Plain Road, Edmonton, Alberta, with such changes made to satisfy technical requirements identified by the Alberta Land Titles Office. The Court issued an Endorsement on the same date which, among other things, confirmed that the motion of Mitsubishi HC Capital America, Inc., Mitsubishi HC Capital Canada, Inc. and Mitsubishi HC Capital Canada Leasing, Inc. (collectively, "**Mitsubishi**") to lift the stay of proceedings to permit actions against guarantors should not be scheduled at this time. The Court further indicated that it expected that Mitsubishi would not proceed with its motion in the Chapter 15 Cases.

41. On December 10, 2024, the Monitor filed the Nineteenth Report of the Monitor (the "**Nineteenth Report**") in connection with a motion by the Pride Entities returnable on December 13, 2024, seeking (a) approval of the sales of real property located in Grand Prairie, Texas, Dallas, Texas, Indianapolis, Indiana and Rocky View County, Alberta (collectively, the "**December Sale Approval Orders**"), (b) approval of a share sale in respect of 963 Sweetwater Holding Corp. ("**Sweetwater**") and removal of Sweetwater as an Applicant in these proceedings (the "**Sweetwater Approval and Vesting Order**"), (c)

an Order authorizing the Pride Entities to pay certain lenders of the PGL Entities (the "**PGL Lenders**") amounts held in trust for the benefit of such PGL Lenders (the "**PGL Lenders' Payment Order**"), (d) an Order directing the Monitor to distribute to Roynat, as mortgagee, the net proceeds of certain real property transactions approved by the Court that involved Roynat as mortgagee, and to distribute to the DIP Agent certain net proceeds from the sale of certain other real property transactions approved by the Court (the "**Real Estate Proceeds Distribution Order**"), (e) an amendment to the Wind-Down Order to include Mitsubishi HC Capital Canada, Inc. and Mitsubishi HC Capital Canada Leasing, Inc. as a "Recourse Lender" thereunder (the "**Wind-Down Amendment Order**"), (f) an amendment to the Lien Discharge Order to direct that persons asserting possessory liens turn-over vehicles in their possession upon the posting of lien security and to authorize the Pride Entities to post, as lien security, a portion of any insurance proceeds received in respect of vehicles subject to an unresolved lien (the "**Amended and Restated Lien Discharge Order**"), and (g) an Order authorizing and directing Royal Bank of Canada and the Monitor to release or pay to TPine Financial certain funds held in the TPine Financial blocked account with Royal Bank of Canada or the Monitor's trust account for the benefit of third parties (the "**Third Party Factoring Funds**"), respectively, to allow TPine Financial to pay such funds to the appropriate persons (the "**Blocked Account Payment Order**").

42. The Monitor also filed a Supplement to the Nineteenth Report dated December 12, 2024 (the "**Supplement to the Nineteenth Report**"), which provided the Court and stakeholders with an update on, among other things, (a) the proposed distribution to be made to the Bank of Montreal ("**BMO**") in connection with the Calgary Property, (b) the status of the Monitor's review of Roynat's mortgage and cross-collateralization claims as they relate to certain real property transactions that involve Roynat as mortgagee, and (c) the Third-Party Factoring Funds.

43. On December 13, 2024, the Court granted the December Sale Approval Orders, the Sweetwater Approval and Vesting Order, the PGL Lenders' Payment Order, the Real Estate Proceeds Distribution Order, the Wind-Down Amendment Order, the Amended and Restated Lien Discharge Order and the Blocked Account Payment Order.

44. On January 10, 2025, the Monitor filed its Twentieth Report of the Monitor (the "**Twentieth Report**") in connection with a motion by the Pride Entities returnable on January 15, 2025, seeking an order (a) approving sales of the assets (the "**Dixie Parts Transactions**") of Dixie Truck Parts Inc. (Ontario) and Dixie Truck Parts Inc. (Delaware) (together, "**Dixie**") to, and vesting them in, 1001076738 Ontario Inc. as purchaser (the "**Proposed Dixie Purchaser**"), and authorizing a distribution of the net proceeds of the Dixie Parts Transactions to the DIP Agent under the DIP Facility (the "**Dixie Approval and Vesting Order**"); (b) approving a distribution of the net proceeds of sale of the "**Dallas Property**" and the "**High Prairie Property**" to the Syndicate Agent, (the "**Texas Real Estate Distribution Order**"); and (c) with respect to all "**Repossessed Assets**" (as defined in the Twentieth Report) remaining on Pride Lots, approving certain turn-over mechanics and turn-over costs, establishing final retrieval deadlines, and authorizing the Pride Entities, through their agent NCI, to sell all Repossessed Assets that are not retrieved by the applicable final retrieval deadline (the "**Remaining Repossessed Assets Order**").

45. The Monitor also filed a Supplement to the Twentieth Report on January 15, 2025 (the "**Supplement to the Twentieth Report**"), providing updates on certain of the matters discussed in the Twentieth Report.

46. At a hearing on January 15, 2025, the Court granted the Dixie Approval and Vesting Order and the Remaining Repossessed Assets Order. The Texas Real Estate Distribution Order was adjourned.

47. On January 29, 2025, the Pride Entities served a motion record (the "**February Motion Record**"), returnable on February 4, 2025 and February 19, 2025, seeking orders, among other things, (a) approving distributions to the Syndicate Agent of the net proceeds of sale of the Dallas Property and the High Prairie Property, approving distributions to Roynat of the net proceeds of sale or balance of net proceeds of sale of the Indianapolis Property and the Chehalis Property, extending the CRO's powers in respect of the Pride Entities to the "Additional Stay Parties" (except Pride Global Insurance Company Ltd.), and removing Pride Global Insurance Company Ltd., as an "Additional Stay Party" (the "**Distributions and Ancillary Relief Order**"); (b) amending the approval, vesting and distribution order

with respect to the Calgary Property granted on December 13, 2024 (the "**Amended Calgary Approval Order**"); (c) approval of the sales of real property located in Saskatoon, Saskatchewan, and McFarland, California together with distributions to BMO and Roynat, respectively (the "**February Sale Approval Orders**"); and (d) approving a distribution of surplus proceeds of the Edmonton Property to the DIP Agent (the "**February DIP Distribution Order**").

48. On January 31, 2025, the Monitor filed its Twenty First Report of the Monitor (the "**Twenty First Report**") in connection with the relief sought by the Pride Entities as described above. On February 4, 2025, the Court granted the Distributions and Ancillary Relief Order, the Amended Calgary Approval Order, the February Sale Approval Orders and the February DIP Distribution Order.

49. On February 6, 2025, the Monitor filed the First Supplement to the Twenty First Report (the "**First Supplement to the Twenty First Report**") in connection with the Pride Entities' motion returnable on February 19, 2025 for an order authorizing an interim distribution of a portion of the net proceeds of the PGL Going Concern Transaction (the "**PGL Interim Distribution Order**"). On February 18, 2025, the Monitor filed the Second Supplement to the Twenty First Report (the "**Second Supplement to the Twenty First Report**") to provide certain updates with respect to the Monitor's recommendations regarding the PGL Interim Distribution Order.

50. On February 7, 2025, the Monitor filed its Twenty Second Report of the Monitor (the "**Twenty Second Report**") in connection with the Pride Entities' motion returnable on February 19, 2025 for an order (the "**Deferred Lease Payments and Ancillary Relief Order**"), (a) authorizing the Pride Entities to apply certain Lease Payments and Soft Collections (each as defined in the Twenty Second Report) and certain amounts held on account of resolved MCVs that relate to Leasebooks to pay their ordinary course working capital needs and fund the completion of the Wind-Down Plan, and for other general corporate needs; and (b) approving certain Prior Reports and the activities of the Monitor described therein.

51. On February 19, 2025, aspects of the PGL Interim Distribution Order relating to an interim distribution of proceeds of vehicle sales were adjourned and the Pride Entities sought an order with respect to the February 19 PGL Relief (as defined in the Second Supplement to the Twenty First Report) (the "**PGL Ancillary Relief Order**").

52. On February 28, 2025, the Court granted the Deferred Lease Payments and Ancillary Relief Order and the PGL Ancillary Relief Order.

53. On March 7, 2025, the Mitsubishi Lift Stay Motion was heard by the Court and the Court granted an Order lifting the stay of proceedings as against the Personal Guarantors and the Personal Guarantors Property in respect of Related Claims (each term as defined in the SARIO) (the "**Lift Stay Order**"). On March 11, 2025, the Pride Entities' counsel served the Lift Stay Order on the Service List and, further to the direction of the Court, indicated that any person with an objection to the Lift Stay Order must advise the Monitor's Canadian Counsel of the particulars of such objection by 5:00 pm ET on March 18, 2025. The Monitor's Canadian Counsel did not receive any objections as of such date.

54. On March 12, 2025, the Monitor filed its Twenty Third Report of the Monitor (the "**Twenty Third Report**") in connection with a motion by the Pride Entities (the "**March Real Estate Motion**") seeking an order (a) approving a transaction with respect to the Regina Property and approving a distribution of the net proceeds of sale to Roynat; and (b) approving a transaction with respect to the Fontana Property. No objections to the relief sought in the March Real Estate Motion were received by the Monitor by the deadline set out in the March Real Estate Motion. The Pride Entities have submitted the March Real Estate Motion to the Court requesting that the orders sought be issued without a hearing.

Appendix "B"

PGL Process Letter

See attached.

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March 14, 2025

VIA E-MAIL

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Attn: Steve Graff

RE: In the Matter of a Plan of Compromise or Arrangement of Pride Group Holdings Inc., et al., Court File No. CV-24-00717340-00CL

RE: The distribution of the net proceeds of the PGL Going Concern Transaction to the PGL Lenders (each as defined in the First Supplement, as defined below)

Reference is made to the First Supplement to the Twenty First Report of the Monitor dated February 6, 2025 (the "**First Supplement**") and the Second Supplement to the Twenty First Report of the Monitor dated February 18, 2025 (the "**Second Supplement**"). Capitalized terms used herein but not

otherwise defined have the meanings given to them in the First Supplement and the Second Supplement.

As you know, the Applicants filed a motion on January 29, 2025, returnable on February 19, 2025 (the "**February 19 Motion**") seeking, among other things, approval of an Interim Distribution of the net proceeds of the PGL Going Concern Transaction to the PGL Lenders. As detailed in the Second Supplement, the Monitor received a number of inquiries from the PGL Lenders in response to the Distribution Analysis and adjourned the aspects of the February 19 Motion related to the Interim Distribution to equipment lenders to a future date to be set, in order to allow the Monitor more time to address these inquiries.

Several PGL Lenders have taken the position that the Hilco Collateral Analysis (as defined below) may be relevant to develop an alternative analysis to the Distribution Analysis proposed by the Monitor. The Monitor has re-sent the Hilco Collateral Analysis to each PGL Lender, which was originally provided in August 2024. Along with the other responses provided to individual PGL Lender inquiries received since the filing of the First Supplement and the Second Supplement, the Monitor believes that the PGL Lenders now have sufficient information to consider whether they wish to advance an Alternative Allocation Method (as defined below). If so, the Monitor requests receipt of the same from the PGL Lenders by **no later than April 7, 2025** for the Monitor's consideration.

Alternative Allocation Method

The Monitor provided greater detail on the Interim Distribution and the underlying Distribution Analysis in the First Supplement. The Monitor then provided more detailed analysis of the proposed cost allocation methodology in the Second Supplement. The Monitor was advised by a number of the PGL Lenders that they may propose an alternative allocation method for both the distribution of proceeds and allocation of costs (an "**Alternative Allocation Methodology**").

As further detailed at paragraphs 54 to 59 of the First Supplement and paragraphs 24 to 39 of the Second Supplement, the Monitor is of the view that the Interim Distribution and the cost allocation methodology that the Monitor has proposed are the most appropriate and fair approach to all PGL Lenders. However, the Monitor believes that this is an inter-creditor issue and is not averse to consideration of an Alternative Allocation Methodology, particularly an Alternative Allocation Methodology that is agreed to by a material number of PGL Lenders.

The Hilco Analysis

As further detailed in paragraphs 72 to 78 of the Fourteenth Report of the Monitor dated August 28, 2024, Hilco Global ("**Hilco**") was retained to provide a proposal to coordinate the wind-down of the PGL Entities and monetize their assets (the "**PGL Wind-Down Plan**") as an alternative to the PGL Going Concern Transaction. As part of the PGL Wind-Down Plan, Hilco prepared individualized analysis for each PGL Lender whose vehicles were subject to the proposed PGL Going Concern Transaction, to illustrate the recoveries of the applicable PGL Lender under the PGL Wind-Down Plan based on respective collateral entitlements (the "**Hilco Collateral Analysis**"), which was delivered in August

2024. The Hilco Collateral Analysis was provided on a confidential basis to each respective PGL Lender.

In an email dated March 14, 2025, the Monitor re-sent the applicable Hilco Collateral Analysis to each respective PGL Lender who originally received one.

A number of PGL Lenders asked for the Hilco Collateral Analysis for all PGL Lenders, not just that related to the collateral of the requesting PGL Lender. The Monitor is of the view that the Hilco Collateral Analysis for each PGL Lender contains confidential and/or commercially sensitive information and is not prepared to share a PGL Lender's Hilco Collateral Analysis with other PGL Lenders. The Monitor has no objection to any PGL Lender disclosing its respective Hilco Collateral Analysis to any other PGL Lender. The Hilco Collateral Analysis was prepared for the benefit of each respective PGL Lender to which it is addressed, and from the Monitor's perspective, the confidentiality and/or commercial sensitivity of the Hilco Collateral Analysis is that of the applicable PGL Lender to waive.

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With a view to advancing an interim distribution of the PGL Net Proceeds, the Monitor encourages the PGL Lenders to consider whether an Alternative Allocation Methodology would be more acceptable to the PGL Lenders than the Revised Interim Distribution (as defined in the Second Supplement). If PGL Lenders holding a material portion of the PGL indebtedness secured against equipment can agree on an Alternative Allocation Methodology that is acceptable to the Monitor, the Monitor is prepared to bring such Alternative Allocation Methodology forward at a future motion, and seek an interim distribution order on that basis. If no Alternative Allocation Methodology can be developed that is acceptable to a critical mass of PGL Lenders, the Monitor expects that the PGL Entities will bring back the adjourned February 19 Motion in April, and seek an order approving the Revised Interim Distribution. However, given that the distribution of the PGL Net Proceeds is primarily an inter-creditor issue, if there is a third alternative to an Alternative Allocation Methodology and the Revised Interim Distribution, the Monitor is open to considering any such third alternative that may be supported by PGL Lenders.

The Monitor remains available to answer any questions about the PGL proceeds, and/or to facilitate discussions among PGL Lenders. Please don't hesitate to reach out if the Monitor can be of assistance in the development of an Alternative Allocation Methodology.

Yours truly,



Chris Burr

Cc: A. Morrison, S. Carvalho, *Monitor*
L. Williams, P. Fesharaki, *Pride Entity Counsel*

Appendix "C"

Cash Flow Forecast

See attached.

CCAA Proceedings of Pride Group Holdings Inc., other Applicants and Additional Stay Parties
Cash Flow Forecast for the period from March 17, 2025 to December 28, 2025 (in $000 CAD)

		W1 Forecast	W2 Forecast	W3 Forecast	W4 Forecast	W5 Forecast	W6 Forecast	W7 Forecast	May Forecast	Post June Forecast	17-Mar-25 28-Dec-25
Week ending		23-Mar-25	30-Mar-25	06-Apr-25	13-Apr-25	20-Apr-25	27-Apr-25	04-May-25	01-Jun-25	28-Dec-25	TOTAL
Cash Sales	Notes										
Can Sales	1	-	-	-	-	-	-	624	-	-	624
Sales Payments to Financier	2	(690)	-	-	-	-	-	-	-	-	(690)
Net Cash from Sales		**(690)**	**-**	**-**	**-**	**-**	**-**	**624**	**-**	**-**	**(66)**
Receipts											
Lease Collections	3	350	-	350	-	350	-	350	700	-	2,100
Net Dixie Parts Sale Proceeds	4	133	-	-	-	-	-	-	-	-	133
Rental Income	5	44	21	188	7	15	61	188	83	-	607
TPL's HST Held in Monitor's Trust	6	1,362	-	-	-	-	-	-	-	-	1,362
Recovery of Costs from PGL	7	-	1,207	29	6	-	-	213	-	-	1,455
Receipts from the Monitor's Account	8	5,905	-	892	145	686	563	-	1,728	3,010	12,929
Receipts from the Monitor's KERP Account	9	-	-	686	-	-	-	-	-	686	1,372
Receipts from the Monitor's Payment Procedure Account	10	258	-	-	-	-	-	-	-	-	258
Total receipts		**8,052**	**1,228**	**2,145**	**158**	**1,051**	**624**	**751**	**2,511**	**3,696**	**20,216**
Cash Sales & Receipts		**7,362**	**1,228**	**2,145**	**158**	**1,051**	**624**	**1,375**	**2,511**	**3,696**	**20,150**
Operating disbursements											
Payroll and Benefits	11	(216)	-	(308)	-	(77)	-	(77)	(154)	(1,279)	(2,111)
KERP	12	-	-	(686)	-	-	-	-	-	(686)	(1,372)
Sales taxes payable	13	(2,186)	(28)	(100)	-	-	-	791	235	506	(782)
Utilities	14	(29)	(29)	(29)	(29)	(29)	(29)	(29)	(12)	(78)	(293)
Brokerage costs	15	(175)	(50)	(29)	(6)	-	-	-	-	-	(260)
Legal Costs	16	(250)	(63)	(63)	(63)	(63)	(63)	(63)	(252)	-	(880)
Occupancy Costs	17	-	(20)	-	-	-	-	(20)	(20)	-	(60)
Other Costs	18	77	(439)	-	472	-	-	(45)	(15)	375	425
Intercompany Borrowings	19	7	-	-	-	-	-	(285)	-	-	(278)
DIP Interest Expense	20	-	-	-	-	-	-	-	-	-	-
Total operating disbursements		**(2,772)**	**(629)**	**(1,215)**	**374**	**(169)**	**(92)**	**272**	**(218)**	**(1,162)**	**(5,611)**
Professional Fees - Restructuring (Before HST)		(601)	(477)	(578)	(477)	(477)	(477)	(578)	(2,009)	(2,515)	(8,189)
Catch Up Payments		(5,400)	-	-	-	-	-	-	-	-	(5,400)
HST		(612)	(55)	(69)	(55)	(55)	(55)	(69)	(234)	(327)	(1,531)
Professional Fees - Restructuring	21	**(6,613)**	**(532)**	**(647)**	**(532)**	**(532)**	**(532)**	**(647)**	**(2,243)**	**(2,842)**	**(15,120)**
Net operating cash flow		**(2,023)**	**67**	**283**	**-**	**350**	**-**	**1,000**	**50**	**(308)**	**(581)**
Lease Repayments (Transfers to Monitor's Account)	22	**(961)**	**-**	**(350)**	**-**	**(350)**	**-**	**(350)**	**(700)**	**-**	**(2,711)**
Available Cash Balance for the Syndicate Borrowing Group	23										
Opening Bank Balance		3,984	1,000	1,067	1,000	1,000	1,000	1,000	1,650	1,000	3,984
Net operating cash/(disbursements)		(2,023)	67	283	-	350	-	1,000	50	(308)	(581)
Non-operating cash/(disbursements)		(961)	-	(350)	-	(350)	-	(350)	(700)	-	(2,711)
Closing Bank Balance		**1,000**	**1,067**	**1,000**	**1,000**	**1,000**	**1,000**	**1,650**	**1,000**	**692**	**692**
DIP Financing	24										
Opening DIP balance		26,368	26,417	24,718	19,167	19,202	19,238	19,274	16,880	14,739	26,368
DIP Repayment for Di Miller		-	(1,749)	-	-	-	-	-	-	-	(1,749)
DIP Repayment from PGL Sale Proceeds		-	-	(4,854)	-	-	-	-	-	-	(4,854)
DIP Repayments from Real Estate Sale Proceeds		-	-	-	-	-	-	(2,142)	(2,142)	(14,739)	(19,022)
Interest Expense		49	49	46	36	36	36	36	124	448	860
DIP Interest Payment		-	-	(743)	-	-	-	(288)	(124)	(448)	(1,603)
Ending DIP Balance		**26,417**	**24,717**	**19,167**	**19,203**	**19,238**	**19,274**	**16,880**	**14,738**	**-**	**-**

CCAA Proceedings of Pride Group Holdings Inc., other Applicants and Additional Stay Parties
Cash Flow Forecast for the period from March 17, 2025 to December 28, 2025 (in $000 CAD)

		W1 Forecast	W2 Forecast	W3 Forecast	W4 Forecast	W5 Forecast	W6 Forecast	W7 Forecast	May Forecast	Post June Forecast	17-Mar-25 28-Dec-25
Week ending		23-Mar-25	30-Mar-25	06-Apr-25	13-Apr-25	20-Apr-25	27-Apr-25	04-May-25	01-Jun-25	28-Dec-25	TOTAL
Available Cash Balance for Other Applicants	25										
Opening Bank Balance		1,574	1,567	1,567	1,567	1,567	1,567	1,567	1,852	1,852	1,574
Intercompany Borrowings		(7)	-	-	-	-	-	285	-	-	278
Closing Bank Balance		**1,567**	**1,567**	**1,567**	**1,567**	**1,567**	**1,567**	**1,852**	**1,852**	**1,852**	**1,852**
Monitor's KERP Account	26										
Opening Balance		1,371	1,371	1,371	685	685	685	685	685	685	1,371
Less: Transfers from the Monitor's KERP Account to the Cash Balance		-	-	(686)	-	-	-	-	-	(685)	(1,371)
Closing Balance		**1,371**	**1,371**	**685**	**685**	**685**	**685**	**685**	**685**	**-**	**-**
Monitor's SPV Direct Cost Reimbursements Account	27										
Opening Balance		329	-	-	-	-	-	-	-	-	329
Less: Transfers from the Monitor's SPV Account to the Cash Balance		(329)	-	-	-	-	-	-	-	-	(329)
Closing Balance		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Monitor's MCV & SSC Trust Account	28										
Opening Balance		13,538	14,513	9,106	9,456	9,456	9,806	9,806	10,156	10,856	13,538
Lease Payments and Soft Collections		961	-	350	-	350	-	350	700	-	2,711
Payments to Securitization Lenders		-	(5,421)	-	-	-	-	-	-	-	(5,421)
Interest		13	14	-	-	-	-	-	-	-	27
Closing Pool Balance		**14,512**	**9,106**	**9,456**	**9,456**	**9,806**	**9,806**	**10,156**	**10,856**	**10,856**	**10,855**
Monitor's Payment Procedure Account (Pursuant to the Payment Procedure Agreement	29										
Opening Monitor's Payment Procedure Account Balance		516	258	158	129	123	123	123	-	-	516
Return to Pride Entities		(258)	(50)	(29)	(6)	-	-	(123)	-	-	(466)
July 31 Accrued Equipment Payments		-	(50)	-	-	-	-	-	-	-	(50)
July 31 Floor Plan Financiers Payments		-	-	-	-	-	-	-	-	-	-
July 31 Lease Collections Accrual Payments		-	-	-	-	-	-	-	-	-	-
July 31 HST Accrual Payments		-	-	-	-	-	-	-	-	-	-
Closing Monitor's Payment Procedure Account Balance		**258**	**158**	**129**	**123**	**123**	**123**	**-**	**-**	**-**	**-**
Closing Monitor's Account Balance	30										
Opening Monitor's Balance		9,874	7,024	7,024	6,132	5,987	5,301	4,738	4,738	3,010	9,874
Servicing Fees and HST		2,726	-	-	-	-	-	-	-	-	2,726
Less: Transfers from the Monitor's Account to the Cash Balance		(5,576)	-	(892)	(145)	(686)	(563)	-	(1,728)	(3,010)	(12,600)
Closing Monitor's Account Balance		**7,024**	**7,024**	**6,132**	**5,987**	**5,301**	**4,738**	**4,738**	**3,010**	**-**	**-**

* All remaining DIP interest and principal payments are forecast to be paid directly from the sale proceeds of real estate, Dixie Parts, and PGL, as outlined in the 'DIP Financing' section. The cash flow forecast assumes equal amounts of monthly repayment from May to December 2025, which estimates the DIP interest to be approximately $1.8 million. However, based on the actual timing of real estate sales, the final amount may vary.

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 **PRIDE GROUP HOLDINGS INC.** and those Applicants listed on **Schedule "A"** hereto

Notes to the Unaudited Consolidated Filing Cash Flow Forecast of the Applicants and Limited Partnerships listed on Schedule "A" (collectively, the "Pride Entities") for the period from March 17, 2025, to December 31, 2025 (the "Forecast Period")

Disclaimer:

In preparing this cash flow forecast (the "**Cash Flow Forecast**"), the Applicants with the assistance of Ernst & Young Inc., in its capacity as Monitor of the Pride Entities (the "**Monitor**"), have relied upon unaudited financial information and have not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the Pride Entities and additional assumptions discussed below, including assumptions from management of the Pride Entities ("**Management**"), with respect to the requirements and financial impact of a *Companies' Creditors Arrangement Act* ("**CCAA**") filing (the "**Probable and Hypothetical Assumptions**" or the "**Assumptions**"). Since the Cash Flow Forecast is based on Assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Cash Flow Forecast period will vary from the Cash Flow Forecast, even if Assumptions materialize, and such variation may be material. There is no representation, warranty, or other assurance that any of the estimates, forecasts or projections will be realized.

The Monitor's review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to information supplied to it by certain key members of the Pride Entities and other employees of the Pride Entities. Since the Probable and Hypothetical Assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. The Monitor also reviewed the support provided by the Pride Entities for the Probable and Hypothetical Assumptions and the preparation and presentation of the Cash Flow Forecast. Based on the Monitor's review, nothing has come to the Monitor's attention that causes the Monitor to believe, in any material respect, that:

a) The Probable and Hypothetical Assumptions are not consistent with the purpose of the Cash Flow Forecast;

b) As at the date of this Report, the Probable and Hypothetical Assumptions are not suitably supported and consistent with the plans of the Pride Entities or do not provide a reasonable basis for the Cash Flow Forecast; or
c) The Cash Flow Forecast does not reflect the Probable and Hypothetical Assumptions.

Initially capitalized terms not otherwise defined herein have the meaning given to them in the Report. Receipts and disbursements are denominated in thousands of Canadian dollars. The line-by-line details are based on borrowers and guarantors to the Syndicate Agreement ("**Syndicate Borrowers**"). Receipts and disbursements of other Applicants are represented on a net basis. The Syndicate Borrowers are noted in Schedule "A" and are a subset of the Pride Entities.

This version of the Cash Flow Forecast is an estimate of the funding needs to complete the Wind-down Plan. The Wind-down Plan assumes a wind-down of the Applicants which consists mainly of concluding activities related to transitioning of lease book and turnover of assets, sales and lease collections and other processes relating to MCVs, sale of real estate and finalizing the CCAA proceedings, including an ultimate allocation of the costs of these CCAA Proceedings among funders. Further details of the anticipated steps to Wind-down the remaining CCAA Proceedings and the Chapter 15 Proceedings are contained in the Twenty Second Report of the Monitor.

Assumptions & Notes:

1. **Cash Sales**
   All sales activity by the Pride Entities has ceased. There are forecast receipts of $624,000 related to NCI's sales of vehicles for lenders who opted not to make net liquidity contributions pursuant to the Wind-Down Order. Any excess sale proceeds by NCI beyond the liquidity contribution amount will be returned to the applicable lenders, net of costs and are not reflected in the forecast. Sales also do not include sales/costs of NCI selling MCVs or other assets.

2. **Sale Payments to Financier**
   This represents the sale proceeds for EV chargers sold prior to October 31, 2024, which sale proceeds will be paid out to the relevant lenders.

3. **Lease Collections**
   This represents the lease collections still being serviced by the Pride Entities. It is assumed that lease servicing will conclude in June, 2025. See Note 22.

4. **Net Dixie Parts Sale Proceeds**
   The sale of the Canadian Dixie Parts Assets closed on January 24, 2025, the sale of the US Dixie Parts Assets closed on February 12, 2025 and the ancillary sale of the Dixie Parts assets closed on

February 28, 2025 (collectively, the "Dixie Parts Transactions"). This represents the portion of the proceeds to be transferred to the Pride Entities for professional fees related to the transaction.

5. **Rental Income**
   This represents rental income collected from tenants of real estate owned by the Syndicate Borrowers. This is based on actual tenant contracts of each property, and will be updated as new tenants are onboarded or revenue from tenant agreements cease upon the sale of the underlying real estate. Rental income in respect of real estate owned by the other Pride Entities outside of the Syndicate Borrowers (whether or not they have their own bank accounts) are not included. Note that, where non- Syndicate Borrowers do not have their own accounts, they utilize the Syndicate Borrowers' accounts for both collection of revenue and payment of costs.

6. **TPL's HST Held in Monitor's Trust**
   As described in previous Reports, certain of TPL's vehicles were sold in the PGL Transaction. TPL was also a vendor in the PGL Transaction. TPL collected HST of approximately $1.4 million from the PGL Purchaser for the sale of TPL's vehicles which is being held in a Monitor's trust account. This line item represents the HST collected by TPL with respect to the PGL Transaction. Such amount is forecast to be transferred to the Pride Entities to pay the corresponding amount of TPL's November HST related to the PGL transaction.

7. **Recovery of Costs from PGL**
   This line item includes the recovery of professional fees previously paid and certain other costs including HST as approved by the Court in the PGL Going Transaction Ancillary Relief and Interim Distribution Order. Further details of such professional fees, HST and other costs are provided in the First Supplement Report to the Twenty First Report of the Monitor.

8. **Receipts from the Monitor's Account**
   This represents inflows to the Pride Entities from the Monitor's Accounts as needed. See Note 30.

9. **Receipts from the Monitor's KERP Account**
   This represents the reimbursement of KERP payments from the KERP trust account held by the Monitor, to the Pride Entities. See Note 12 and Note 26.

10. **Receipts from the Monitor's Payment Procedure Account**
    These are reimbursements that pertain to payments that were made directly by the Pride Entities that were contemplated to be paid from the Monitor's Payment Procedure Account pursuant to the Payment Procedure Agreement. See Note 29.

11. Payroll and Benefits

Represents wages and salaries, and employee-related benefits. This also includes payment to subcontractors, i.e. office contractors.

The reduction of headcount is based on the wind-down of remaining activities. Accrued vacation pay has been included as a disbursement upon termination.

12. KERP

KERP payments to terminated employees pursuant to the Stay Extension, KERP Approval Order dated October 10, 2024.

13. Sales Taxes Payable

These amounts relate to HST and QST payable. It is anticipated that some of the entities are or will be in a refund position, however, there is currently a hold on refunds from the CRA. As such, the Cash Flow Forecast is conservative and assumes refunds will commence at the beginning of May and in the amount of recovery of the HST input tax credits on the 2025 professional fees. There are ongoing discussions with the CRA regarding potential audit adjustments to the February and March 2024 HST remittances, which have already been made by the Pride Entities. To date the CRA has assessed three Pride Entities, and such assessments are being reviewed by the Company and the Monitor and their respective counsels. Therefore, at this time, no amounts have been included in the Cash Flow Forecast as payable with respect to potential audit adjustments; however, this is subject to change based on ongoing discussions with CRA.

14. Utilities

These are the estimated utility costs for the terminal/dealership operations.

15. Brokerage Costs

This represents the remaining payables related to the period prior to the closing of the PGL sale, estimated by PGL's Controller.

16. Legal Costs

Payments for external legal fees related to an on-going litigation to be paid in Week 1. The weekly amounts relate to in-house counsel salaries. It is estimated that in-house counsel will be needed until the end of May 2025. Some of their time will be utilized to assist with (i) assess the future treatment of ongoing litigation claims, including whether to continue same, (ii) repair and storage lien claims and (iii) Real Estate.

17. Occupancy Costs

This represents the lease payments for the office located at 400 Spectrum Center Drive, Irvine, CA. All leased locations related to PTS/PTS LP have been disclaimed, and such disclaimers were effective by the end of February.

18. Other Costs

This represents the operating costs for the Pride Entities, which include software, insurance, credit card top-ups, real estate security costs assumed to be recoverable from real estate sale proceeds post June, and other general administrative costs. March includes a credit for the Canadian insurance premiums, while April includes a credit for the US insurance premiums.

19. Intercompany Borrowings

This represents intercompany borrowings from Pride Entities outside of the Syndicate Borrowers from the Syndicate Borrowers to support operations of these Pride Entities. This is related to entities that are part of the PGL transaction.

20. DIP Interest Expense

All remaining monthly DIP interest payments are forecast to be deferred and paid from the sale proceeds of PGL and unencumbered real estate. See Note 24.

21. Professional Fees - Restructuring

This relates to fees of the Applicants' external legal counsel in Canada and U.S., the Monitor and its counsel in Canada and the U.S., the directors and officers' counsel, and the Chief Restructuring Officer.

Non-Operating Disbursements

22. Lease Repayments (Transfers to Monitor's Account)

This represents the lease payments (including soft collections and MCVs) to be transferred to the Monitor. The payments are shown transferring into the Monitor's MCV & SSC Trust Account, but the actual treatment is subject to ongoing reconciliation of lease payments.

23. Available Cash Balance for the Syndicate Borrowers

This represents the bank balances of the Syndicate Borrowers. PGL is assumed to be net neutral on the cash flow, and any remaining amount in the bank distributed. Transfers from the Monitor's Account are made to maintain a cash balance of $1 million in these accounts until the end of June 2025.

24. DIP Financing

This represents the funds borrowed under the DIP Facility and the corresponding projected repayments of DIP principal from the net proceeds of the sale of certain real property and the PGL

business. In Week 3, the PGL sale proceeds of approximately $5.6 million are forecast to pay down approximately $4.9 million of DIP principal and approximately $0.7 million of DIP interest. The order authorizing and directing the distribution of such proceeds to repay the DIP Facility is currently subject to a motion for leave to appeal. The Cash Flow Forecast assumes that such distribution is not altered by the outcome of the appeal.

It is anticipated that there will be further DIP repayments from real estate sale proceeds; however, the timing is uncertain. As such, the Cash Flow Forecast assumes equal amounts of monthly repayment from May to December 2025.

25. Available Cash Balance for the other Applicants

This represents the bank balances of the other Pride Entities not in the Syndicate Borrower group.

26. Monitor's KERP Account

This represents the funds held in a trust account for the purpose of funding the KERP. See Note 9

27. Monitor's SPV Direct Cost Reimbursements Account

This represents the payments from securitization funders regarding the reimbursement of direct costs for turnover of their assets. These amounts are transferred to the Pride Entities for working capital and other general purposes as needed via the Monitor's Account. See Note 8.

28. Monitor's MCV & SSC Trust Account

These are two trust accounts created pursuant to the Revised Governance Protocols: (1) Cash Proceeds, Lease Collections, and Soft Collections that relate to Multiple Collateral Vehicles; and (2) soft collections of Securitization leases. These amounts are subject to any set-off of direct costs as may be ordered by the Court in a future motion. All lease collections are presented to be paid into this account, but any recourse lender lease collections, which are determined through ongoing reconciliation, are available for operations as deferred payments pursuant to the Deferred Lease Payment Order. Disbursements made are related to settled MCVs in favour of Securitization Parties. See Note 22.

29. Monitor's Payment Procedure Account (Pursuant to the Payment Procedure Agreement)

The Payment Procedure Agreement required the Monitor to hold the Final Advance of $10.0 million in a Monitor's Payment Procedure Account and use such funds in accordance with restrictions requiring that such funds be applied to pay certain disbursements specified in the DIP Budget (as defined in the Amending Agreement). The Pride Entities fulfilled the Payment Procedure Agreement requirements and were able to pay the amounts contemplated in the agreement. The remaining amount relates to funds that are to be reimbursed to the Pride Entities to fund the Wind-down Plan and remaining activities in these CCAA Proceedings, as they made relevant payments from cash on hand, as well as an amount for which the appropriate lender entitled to such payment has not yet been confirmed.

30. Closing Monitor's Account Balance

These are amounts that being held in Monitor's Accounts available for paying working capital needs, funding the completion of the Wind-down Plan, and for other general corporate needs. This includes:

- the remaining funds to which recourse lenders contributed pursuant to the Wind-Down Order to fund the wind-down of the Pride Entities;
- commissions on vehicle sales and soft collections, as provided in the Governance Protocol, that have yet to be remitted to the Pride Entities; and
- remaining Deferred Lease Payments available for use by the Pride Entities as per the Deferred Lease Payment Order dated February 28, 2025.

Schedule "A"

A. APPLICANTS

Operating Entities

Canadian Operating Entities

- PRIDE TRUCK SALES LTD. ("**PTS**")*
- TPINE TRUCK RENTAL INC. ("**TTR**")*
- PRIDE GROUP LOGISTICS LTD. ("**PGL**")*
- PRIDE GROUP LOGISTICS INTERNATIONAL LTD.
- TPINE LEASING CAPITAL CORPORATION*
- DIXIE TRUCK PARTS INC.
- PRIDE FLEET SOLUTIONS INC. ("**PFS**")*
- TPINE FINANCIAL SERVICES INC.
- PRIDE GROUP EV SALES LTD.

U.S. Operating Entities

- TPINE RENTAL USA, INC. ("**TTR USA**")*
- PRIDE GROUP LOGISTICS USA, CO.
- ARNOLD TRANSPORTATION SERVICES, INC.
- DIXIE TRUCK PARTS INC.
- TPINE FINANCIAL SERVICES CORP.
- PARKER TRANSPORT CO.
- PRIDE FLEET SOLUTIONS USA INC.

Real Estate Holding Companies

Canadian Real Estate Holding Companies

- 2029909 ONTARIO INC.
- 2076401 ONTARIO INC.*
- 1450 MEYERSIDE HOLDING INC.*
- 933 HELENA HOLDINGS INC.
- 30530 MATSQUI ABBOTSFORD HOLDING INC.
- 2863283 ONTARIO INC.
- 2837229 ONTARIO INC.
- 2108184 ALBERTA LTD.
- 12944154 CANADA INC.
- 13184633 CANADA INC.
- 13761983 CANADA INC.
- 102098416 SASKATCHEWAN LTD.
- 177A STREET SURREY HOLDING INC.
- 52 STREET EDMONTON HOLDING INC.
- 84 ST SE CALGARY HOLDINGS INC.
- 68TH STREET SASKATOON HOLDING INC.
- 3000 PITFIELD HOLDING INC.

U.S. Real Estate Holding Companies

- PGED HOLDING, CORP.*
- HIGH PRAIRIE TEXAS HOLDING CORP.*
- 131 INDUSTRIAL BLVD HOLDING CORP.*
- 59TH AVE PHOENIX HOLDING CORP.*
- DI MILLER DRIVE BAKERSFIELD HOLDING CORP.*
- FRONTAGE ROAD HOLDING CORP.*
- ALEXIS INVESTMENTS, LLC
- TERNES DRIVE HOLDING CORP.
- VALLEY BOULEVARD FONTANA HOLDING CORP.
- HIGHWAY 46 MCFARLAND HOLDING CORP.
- TERMINAL ROAD HOLDING, CORP.
- BISHOP ROAD HOLDING CORP.
- OLD NATIONAL HIGHWAY HOLDING CORP.
- 11670 INTERSTATE HOLDING, CORP.
- 401 SOUTH MERIDIAN OKC HOLDING CORP.
- 8201 HWY 66 TULSA HOLDING CORP.
- EASTGATE MISSOURI HOLDING CORP.
- FRENCH CAMP HOLDING CORP.
- 87TH AVENUE MEDLEY FL HOLDING CORP.
- LOOP 820 FORT WORTH HOLDING CORP.
- 162 ROUTE ROAD TROY HOLDING CORP.
- CRESCENTVILLE ROAD CINCINNATI HOLDING CORP.
- MANHEIM ROAD HOLDING CORP.
- 13TH STREET POMPANO BEACH FL HOLDING CORP.
- EAST BRUNDAGE LANE BAKERSFIELD HOLDING CORP.
- CORRINGTON MISSOURI HOLDING CORP.
- 963 SWEETWATER HOLDING CORP.
- OAKMONT DRIVE IN HOLDING CORP.

Other Holding Companies

Other Canadian Holding Companies

- 2692293 ONTARIO LTD.
- 2043002 ONTARIO INC.*
- PRIDE GROUP HOLDINGS INC.*
- 2554193 ONTARIO INC.
- 2554194 ONTARIO INC.
- PRIDE GROUP REAL ESTATE HOLDINGS INC.
- 1000089137 ONTARIO INC.

Other U.S. Holding Companies

- COASTLINE HOLDINGS, CORP.*
- PARKER GLOBAL ENTERPRISES, INC.
- DVP HOLDINGS, CORP.

B. LIMITED PARTNERSHIPS

U.S. Limited Partnerships

- PRIDE TRUCK SALES L.P. ("**PTS LP**")*
- TPINE LEASING CAPITAL L.P.*
- SWEET HOME HOSPITALITY L.P.

C. ADDITIONAL STAY PARTIES

Canadian Additional Stay Parties

- BLOCK 6 HOLDING INC.
- 2500819 ONTARIO INC.

U.S. and Other Additional Stay Parties

- PERGOLA HOLDINGS, CORP.

* Syndicate Borrowers (borrowers or guarantors under the Syndicate Agreement)

Appendix "D"

Medley Title Commitment

See attached.



Transaction Identification Data, for which the Company assumes no liability as set forth in Commitment Condition 5.e.:
Issuing Agent: First American Title Insurance Company National Commercial Services
Issuing Office: 200 West Madison Street, Suite 800, Chicago, IL 60606
Issuing Office's ALTA® Registry ID: 0000939
Loan ID Number:
Commitment Number: NCS-1244518-CHI2
Issuing Office File Number: NCS-1244518-CHI2
Property Address: 10015 Northwest 87th Avenue, Medley, FL 33178
Revision Number:

SCHEDULE A

Update and Revision: 02/11/2025
Schedule A: brought Effective Date forward
Schedule B-I: added Items 12, 13 and 14.

Amendment: February 12, 2025
Schedule A: revised Items 04 and 05 (Exhibit A, Legal Description)
Schedule B-I: revised Item 04 and Tax Note
Schedule B-II: revised Item 08

1. Commitment Date: January 30, 2025 at 7:30 AM

2. Policy to be issued: Proposed Amount of Insurance:

   a. ALTA® Standard Owner's Policy (with Florida modifications) $3,100,000.00

      Proposed Insured: J M C Trucking, Inc., a Florida corporation
      The estate or interest to be insured: See Item 3 below

   b. ALTA® Standard Loan Policy (with Florida modifications) $1,000.00

      Proposed Insured: A Natural Person or Legal Entity to be Designated
      The estate or interest to be insured: See Item 3 below

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3. The estate or interest in the Land at the Commitment Date is:

   Fee Simple

4. The Title is, at the Commitment Date, vested in:

   87th Avenue Medley FL Holding Corp., a Florida corporation

5. The Land is described as follows:

   See Exhibit A attached hereto and made a part hereof

First American Title Insurance Company

By:

Authorized Signatory

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Commitment No. NCS-1244518-CHI2

EXHIBIT A

The Land referred to herein below is situated in the County of Miami-Dade, State of Florida, and is described as follows:

Tract B of BELLMAR LAND PLAT, according to the plat thereof recorded in Plat Book 150, Page 9, of the Public Records of Miami-Dade County, Florida.

Less and except the following:

A portion of the Tract "B" of BELLMAR LAND PLAT, according to the plat thereof, as recorded in Plat Book 150, Page 9, of the Public Records of Miami-Dade County, Florida, lying and being in the Northwest (NW) 1/4 of Section 3, Township 53 South, Range 40 East, Miami-Dade County, Florida, more particularly described as follows:

Commence at the Southwest corner of the Northwest (NW) 1/4 of Section 3; thence North 01°48'01" West along the West line of said Northwest (NW) 1/4 of Section 3 for a distance of 658.67 feet; thence North 88°11'59" East at a right angle from the previously described line for a distance of 40.00 feet to a point of intersection of the existing right-of-way line of NW 87th Avenue, said point also being the SW corner of Tract "B" of said BELLMAR LAND PLAT, Plat Book 150, Page 9 and the Point of Beginning of the hereinafter described parcel; thence North 01°48'01" West along said existing East r/w line of NW 87th Avenue for a distance of 84.50 feet to a point of intersection of the North line of said Tract "B", thence North 89°10'34" East along the North line of said Tract "B" for a distance of 65.97 feet to a point of a non-tangent circular curve concave to the West, said point bears North 86°39'31" East from the center of said curve; thence Southeasterly along the arc of said curve to the right, having a radius of 3,552.00 feet and a central angle of 01°22'14" for a distance of 84.96 feet to a point of the South line of said Tract "B"; thence South 89°32'35" West along said South line of said Tract "B" for a distance of 67.25 feet to the Point of Beginning.

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Commitment No. NCS-1244518-CHI2

SCHEDULE B, PART I—Requirements

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.

2. Pay the agreed amount for the estate or interest to be insured.

3. Pay the premiums, fees, and charges for the Policy to the Company.

4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.

   (a) Warranty Deed conveying the land from 87th Avenue Medley FL Holding Corp., a Florida corporation, to J M C Trucking, Inc., a Florida corporation. In connection with said deed, we will further require:

   1) Certified copy of a Board of Directors resolution setting forth the terms, conditions and consideration for which the corporation is authorized to convey its property. The resolution must further identify the officers authorized to execute the deed and other closing documents on behalf of the corporation;
   2) Certified incumbency certificate showing the identity of the officers authorized to execute the conveyance on behalf of the corporation, together with examples of their signatures;
   3) The corporation must have been formed as of July 28, 2023, the date the corporation acquired title to the land;
   4) Certificate from the Secretary of State of said corporation's current good standing;
   5) If the property constitutes all or substantially all of the corporation's assets and the sale is not in the usual and regular course of the corporation's business, the Company shall further require shareholder approval for the transaction obtained in compliance with the procedure set out in §607.1202, F.S.; and
   6) The Company reserves the right to make such further requirements as it deems necessary after reviewing any of the documentation required above.

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b. Mortgage encumbering the land from J M C Trucking, Inc., a Florida corporation to A Natural Person or Legal Entity to be Designated, in the principal amount of $T/B/D. In connection with said mortgage, we will further require:

1) Production of a copy of the articles of incorporation with an affidavit affixed thereto that it is a true copy of the articles of incorporation and all amendments thereto, and that the corporation has not been dissolved;

2) Certified copy of a Board of Directors resolution setting forth the terms, conditions and consideration for which the corporation is authorized to mortgage its property. The resolution must further identify the officers authorized to execute the mortgage and other closing document on behalf of the corporation;

3) Certified incumbency certificate showing the identity of the officers authorized to execute the mortgage on behalf of the corporation together with examples of their signatures;

4) The corporation must have been formed as of the date of taking title;

5) Current Certificate from the Secretary of State of said corporation's current good standing;

6) Satisfactory evidence of compliance with all requirements regarding encumbering corporation property contained in the articles of incorporation; and

7) The Company reserves the right to make such further requirements as it deems necessary after reviewing any of the documentation required above.

5. Payment, cancellation and satisfaction of record of mortgage executed by 87th Avenue Medley FL Holding Corp., a Florida corporation in favor of Bank of Montreal, recorded July 31, 2023 in Book 33816, Page 1824 of Official Records.

6. Termination of UCC-1 Financing Statement naming Bank of Montreal as secured party and 87th Avenue Medley FL Holding Corp. as debtor, recorded July 31, 2023, Book 33816, Page 1847 of Official Records.

7. Record evidence that the code violation upon which that certain lien, recorded in Book 34501, Page 2206 of Official Records, is based has been corrected in accordance with the requirements of the Code Enforcement Board imposing said lien. NOTE: Satisfaction of Lien was recorded in NONE.

8. Record evidence that the code violation upon which that certain lien, recorded in Book 34501, Page 2219 of Official Records, is based has been corrected in accordance with the requirements of the Code Enforcement Board imposing said lien. NOTE: Satisfaction of Lien was recorded in NONE.

9. This item has been intentionally deleted.

10. The actual value of the estate or interest to be insured must be disclosed to the Company and, subject to approval by the Company, entered as the amount of the Policy to be issued.

11. Pay any and all taxes and/or assessments, levied and assessed against the Land, that are due and payable.

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12. Order to be entered in the U.S. Bankruptcy Court for the District of Delaware Bankruptcy, Case No. 2024bk10790 (or related ancillary proceeding), in re: April 15, 2024, authorizing the transaction contemplated herein. The Transaction cannot occur before the elapse of the applicable time for objection. There must be compliance with all requirements and mandates of the U.S. Bankruptcy Court pursuant to order of court or applicable rule. This Company must be provided with any and all motions, orders, petitions and schedules which relate to the transaction contemplated herein including, but not limited to, reorganization plan and any amendments thereto. Upon receipt and review of bankruptcy proceedings, additional requirements and/or exceptions may be added, modified or deleted in accordance therewith.

13. Proof of payment of taxes and assessments for the year 2023. Note: Any tax amount(s) shown herein are for information purposes only, and should be verified with the appropriate taxing authority(s).

14. Proof of payment of taxes and assessments for the year 2024. Note: Any tax amount(s) shown herein are for information purposes only, and should be verified with the appropriate taxing authority(s).

    NOTE: Tax Information for Tax Years 2023 and 2024 has been requested from the Miami-Dade County Tax Collector.

    Note: 2023 Real Estate taxes are Unavailable for Public Viewing, in the gross amount of : $_____, under Tax Parcel I.D. No.: 22-3003-027-0020

    Note: 2024 Real Estate taxes are Unavailable for Public viewing, in the gross amount of : $_____, under Tax Parcel I.D. No.: 22-3003-027-0020

15. Survey prepared by a Florida registered land surveyor; dated no more than 90 days prior to the closing date of subject transaction; certified to the proposed insured(s), First American Title Insurance Company, and all other parties in interest; meeting the minimum standards for all land surveys as set forth in Chapter 472.027, Florida Statutes or in Chapter 21 HH 6, Florida Administrative Code. The Company reserves the right to make such additional requirements and/or to modify the legal description (shown on Schedule A herein), as it may deem necessary.

16. Satisfactory evidence of payment of any municipal liens or assessments for public improvements or assessments, as provided for by Chapter 159, Florida Statues, in favor of any city, town, village or port authority for unpaid service charges for service by any water, server or gas systems supplying the lands described herein. A municipal lien search will need to be ordered and will take 10 to 15 business days to complete. Suggested vendors are:

    Abramowitz Tax & Lien Service, Inc.
    816 South Military Trail

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Deerfield Beach, FL 33442
Phone: (954) 480-6529

American Lien & Estoppel Services, LLC
6413 Congress Avenue, Ste 130
Boca Raton, FL 33487
Phone: (561) 922-5305

17. Note: Items 1, 2, 3, 4, 5 and 6 of Schedule B, Section 2 of the Commitment, will be deleted from any policies issued pursuant thereto upon our review and acceptance of a survey acceptable to the Company, certified in accordance with Florida Statutes, or such other proof as may be acceptable to the Company, relating to any rights, interests or claims affecting the land which a correct survey would disclose, and an Affidavit of Possession and No Liens in accordance with Florida Statutes, and the Company's review of the potential exposure for construction liens. The Company reserves the right to include exceptions from coverage relating to matters disclosed by the survey or other proof, the Affidavit, or discovered in the Company's review of the potential exposure for construction liens, and to make such additional requirements as it may deem necessary.

18. Note: The Company reserves the right to make additional requirements as it may deem necessary.

FLORIDA RECORDING FEES:

Recording Fees:	$10.00 for the first page / $8.50 each additional page PLUS e-filing fee of $4.00 per document PLUS $1.00 indexing fee for each name over 4

Deed Transfer Tax (called Documentary Stamp Tax): $.70 per $100 (rounded up to the nearest $100)

for all FL counties EXCEPT Miami-Dade where the rate for all property except single family residences is $10.50/$1000 (rounded to the nearest $100)

Mortgage Tax:	Comprised of 2 taxes: Documentary Stamp Tax PLUS Intangible Tax Documentary Stamp Tax: $.35/$100 (rounded up to the nearest $100) Intangible Tax: $2.00/$1000

In the case of taxes on Mortgage Modifications or Assumptions, please contact the assigned FL Underwriter.

FLORIDA RECORDING STANDARDS:

Margins - First Page: Leave 3" x 3" right hand top margin blank; place name and address of

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	preparer and return-to address in left hand 3"; all other margins: 1"
Margins - Add'l Pages:	1"
Paper Size:	Either 8.5" x 11" or 8.5" x 14"

Tax Parcel No.: Must be present on the face of all deeds.

Signatures: Names must be legibly printed, typed or stamped immediately beneath the signatures.

Addresses: The post office address of Grantor and Grantee must be legibly printed, typed or stamped within the document.

Witnesses: Two (2) witnesses are required on all conveyances of an interest in land. **EFFECTIVE JANUARY 1, 2024, THE FLORIDA STATUTES REQUIRE BOTH THE NAME AND ADDRESS FOR ALL WITNESSES BE LEGIBLY PRINTED, TYPED OR STAMPED ON DOCUMENTS BEING SUBMITTED FOR RECORDING. NOTE: SOME CLERKS HAVE INDICATED THEY WILL NOT ACCEPT A PO BOX SO A PHYSICAL ADDRESS IS PREFERRED.**

Preparer/Return-to: The name, title and address of the person who prepared the document must be legibly printed, typed or stamped after the words "This document prepared by:" Also include a return-to address on the first page.

NOTE: Florida Statutes, Sections 692.201-692.205, "Conveyances to Foreign Entities" (the "Statute"), effective July 1, 2023, prohibits ownership of certain real property by certain foreign parties. Pursuant to such Statute, at the time of purchase of real property in Florida, each Buyer must provide an Affidavit that the proposed Insured is not a foreign principal from a foreign country of concern that is restricted from acquiring the Land set forth on Schedule A. In compliance with the statute, Florida Real Estate Commission adopted Rule 61J2-10.200, F.A.C., which established the approved forms for such Affidavits (one for natural persons and one for entities). These affidavits will be provided upon request. Any loss or damage incurred as a result of a violation of this Statute is excluded from coverage under the terms of a title insurance policy. Further, the Company will not knowingly close or insure a transaction that violates this Statute.

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Commitment No. NCS-1244518-CHI2

SCHEDULE B, PART II—Exceptions

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This Commitment and the Policy treat any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document will be excepted from coverage.

The Policy will not insure against loss or damage resulting from the terms and conditions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the Public Records or attaching subsequent to the Effective Date but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

2. Any rights, interests, or claims of parties in possession of the land not shown by the Public Records.

3. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the land.

4. Any lien or right to a lien for services, labor, material or equipment, unless such lien is shown by the Public Records at Date of Policy and not otherwise excepted from coverage herein.

5. Any dispute as to the boundaries caused by a change in the location of any water body within or adjacent to the Land prior to Date of Policy, and any adverse claim to all or part of the Land that is, at Date of Policy, or was previously under water.

6. Taxes or special assessments not shown as liens in the Public Records or in the records of the local tax collecting authority, at Date of Policy.

7. Any minerals or mineral rights leased, granted or retained by current or prior owners.

   The foregoing Schedule B-II, Item 07 is hereby amended to add: ". . . without right of entry."

8. Taxes and assessments for the year 2023 and 2024, which are not obtainable for public viewing. Taxes for the year 2024, which are due and payable, but are not yet delinquent.

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9. Taxes and assessments for the year 2025 and subsequent years, which are not yet due and payable.

10. Terms and conditions of any existing unrecorded lease(s), and all rights of lessee(s) and any parties claiming through the lessee(s) under the lease(s).

11. Matters shown on the Plat of BELLMAR LAND PLAT, recorded in Plat Book 150, Page 9.

12. The terms, provisions, and conditions contained in that certain Charter of the Town of Medley, recorded in Book 10395, Page 2056 of Official Records.

13. Easement granted to Florida Power & Light Company by instrument recorded in Book 17590, Page 4953 of Official Records.

14. This item has been intentionally deleted.

15. This item has been intentionally deleted.

16. The terms, provisions, and conditions contained in that certain Resolution C-1489, recorded in Book 30572, Page 1969 of Official Records.

17. This item has been intentionally deleted.

18. Any claim that the Title is subject to a trust or lien created under The Perishable Agricultural Commodities Act, 1930 (7 U.S.C. §§499a, et seq.) or the Packers and Stockyards Act (7 U.S.C. §§181 et seq.) or under similar state laws.

    Consideration for the deletion of this exception is highly fact intensive. Please contact the underwriter assigned to your file as soon as possible to discuss.

Note: All of the recording information contained herein refers to the Public Records of Miami-Dade County, Florida, unless otherwise indicated. Any reference herein to a Book and Page is a reference to the Official Record Books of said county, unless indicated to the contrary.

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Notices - Where Sent

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company, Attention: Claims Department, 1 First American Way, Santa Ana, CA 92707 (claims.nic@firstam.com).

Service, Quality and Availability

First American Title Insurance Company cares about its customers and their ability to obtain information and service on a convenient, timely and accurate basis. A qualified staff of service representatives is dedicated to serving you. A toll-free number is available for your convenience in obtaining information about coverage and to provide assistance in resolving complaints at 1-800-854-3643. Office hours are from 8:30 a.m. through 5:30 p.m. PST Monday through Friday.

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REISSUE CREDIT NOTICE

Issued by

First American Title Insurance Company

YOU MAY BE ENTITLED TO A REDUCED PREMIUM FOR TITLE INSURANCE IF THIS OFFICE IS PROVIDED WITH A PRIOR OWNER'S POLICY INSURING THE SELLER OR MORTGAGOR IN THE CURRENT TRANSACTION.

The purpose of this letter is to provide you with important information regarding the title insurance premium that has been or will be charged in connection with this transaction.

Eligibility for a discounted title insurance premium will depend on:

REFINANCE TRANSACTIONS:
To qualify for a reduced premium for title insurance you must provide our office with a copy of your prior owner's policy of title insurance insuring your title to the above-referenced property.

SALES TRANSACTIONS:
To qualify for a reduced premium for title insurance you must provide our office with a copy of your (or your seller's) prior owner's policy of title insurance insuring your title to the above referenced property. The effective date of the prior owner's policy must be less than three years old or the property insured by the policy must be unimproved (except roads, bridges, drainage facilities and utilities are not considered improvements for this purpose).

To qualify for the reduced rate, you or your representative may hand deliver, mail or fax a copy of the prior owner's policy of title insurance to your First American issuing agent conducting your settlement prior to closing, although we will accept the prior policy up to 5 working days after the closing date of your transaction.

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ALTA COMMITMENT FOR TITLE INSURANCE
issued by
FIRST AMERICAN TITLE INSURANCE COMPANY

NOTICE

IMPORTANT—READ CAREFULLY: THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACONTRACTUAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and the Commitment Conditions, First American Title Insurance Company, a Nebraska Corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Amount of Insurance and the name of the Proposed Insured.

If all of the Schedule B, Part I—Requirements have not been met within 180 days after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

FIRST AMERICAN TITLE INSURANCE COMPANY

By: _____
Kenneth D. DeGiorgio, President

By: _____
Lisa W. Cornehl, Secretary

This page is only a part of a 2021 ALTA Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; and Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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COMMITMENT CONDITIONS

1. DEFINITIONS

a. "Discriminatory Covenant": Any covenant, condition, restriction, or limitation that is unenforceable under applicable law because it illegally discriminates against a class of individuals based on personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or other legally protected class.

b. "Knowledge" or "Known": Actual knowledge or actual notice, but not constructive notice imparted by the Public Records.

c. "Land": The land described in Item 5 of Schedule A and improvements located on that land that by State law constitute real property. The term "Land" does not include any property beyond that described in Schedule A, nor any right, title, interest, estate, or easement in any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway, but does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.

d. "Mortgage": A mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.

e. "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.

f. "Proposed Amount of Insurance": Each dollar amount specified in Schedule A as the Proposed Amount of Insurance of each Policy to be issued pursuant to this Commitment.

g. "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.

h. "Public Records": The recording or filing system established under State statutes in effect at the Commitment Date under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge. The term "Public Records" does not include any other recording or filing system, including any pertaining to environmental remediation or protection, planning, permitting, zoning, licensing, building, health, public safety, or national security matters.

i. "State": The state or commonwealth of the United States within whose exterior boundaries the Land is located. The term "State" also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.

j. "Title": The estate or interest in the Land identified in Item 3 of Schedule A.

2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

a. the Notice;
b. the Commitment to Issue Policy;
c. the Commitment Conditions;
d. Schedule A;
e. Schedule B, Part I—Requirements; and

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f. Schedule B, Part II—Exceptions; and
g. a counter-signature by the Company or its issuing agent that may be in electronic form.

4. COMPANY'S RIGHT TO AMEND

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company is not liable for any other amendment to this Commitment.

5. LIMITATIONS OF LIABILITY

a. The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
   i. comply with the Schedule B, Part I—Requirements;
   ii. eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
   iii. acquire the Title or create the Mortgage covered by this Commitment.
b. The Company is not liable under Commitment Condition 5.a. if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
c. The Company is only liable under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
d. The Company's liability does not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Condition 5.a. or the Proposed Amount of Insurance.
e. The Company is not liable for the content of the Transaction Identification Data, if any.
f. The Company is not obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
g. The Company's liability is further limited by the terms and provisions of the Policy to be issued to the Proposed Insured.

6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT; CHOICE OF LAW AND CHOICE OF FORUM

a. Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
b. Any claim must be based in contract under the State law of the State where the Land is located and is restricted to the terms and provisions of this Commitment. Any litigation or other proceeding brought by the Proposed Insured against the Company must be filed only in a State or federal court having jurisdiction.
c. This Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
d. The deletion or modification of any Schedule B, Part II—Exception does not constitute an

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agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.

e. Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.

f. When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

7. IF THIS COMMITMENT IS ISSUED BY AN ISSUING AGENT

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for closing, settlement, escrow, or any other purpose.

8. PRO-FORMA POLICY

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

9. CLAIMS PROCEDURES

This Commitment incorporates by reference all Conditions for making a claim in the Policy to be issued to the Proposed Insured. Commitment Condition 9 does not modify the limitations of liability in Commitment Conditions 5 and 6.

10. ARBITRATION

The Policy contains an arbitration clause as follows:

a. All claims and disputes arising out of or relating to this policy, including any service or other matter in connection with issuing this policy, any breach of a policy provision, or any other claim or dispute arising out of or relating to the transaction giving rise to this policy, may be submitted to binding arbitration only when agreed to by both the Company and the Insured. Arbitration must be conducted pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("ALTA Rules"). The ALTA Rules are available online at www.alta.org/arbitration. The ALTA Rules incorporate, as appropriate to a particular dispute, the Consumer Arbitration Rules and Commercial Arbitration Rules of the American Arbitration Association ("AAA Rules"). The AAA Rules are available online at www.adr.org.

b. *If there is a final judicial determination that a request for particular relief cannot be arbitrated in accordance with this Condition 18 (Condition 17 of the Loan Policy), then only that request for particular relief may be brought in court. All other requests for relief remain subject to this Condition 18 (Condition 17 of the Loan Policy).*

c. Fees will be allocated in accordance with the applicable AAA Rules. The results of arbitration will be binding upon the parties. The arbitrator may consider, but is not bound by, rulings in prior arbitrations involving different parties. The arbitrator is bound by rulings in prior arbitrations involving the same parties to the extent required by law. The arbitrator must issue a written decision sufficient to explain the findings and conclusions on which the award is based. Judgment upon the award rendered by the arbitrator may

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be entered in any State or federal court having jurisdiction.

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Appendix "E"

Edmonton Certificate

See attached.

LAND TITLE CERTIFICATE

S

LINC	SHORT LEGAL	TITLE NUMBER
0039 276 902	2221738;2;4	232 099 982

LEGAL DESCRIPTION
PLAN 2221738
BLOCK 2
LOT 4
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.88 HECTARES (4.65 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;24;52;23;NE

MUNICIPALITY: CITY OF EDMONTON

REFERENCE NUMBER: 222 221 425

REGISTERED OWNER(S)

REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
232 099 982	27/03/2023	TRANSFER OF LAND	$5,560,000	CASH & MORTGAGE

OWNERS

52 STREET EDMONTON HOLDING INC.
OF 300,14505 BANNISTER ROAD SE
CALGARY
ALBERTA T2X 3J3

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
222 192 614	30/08/2022	EASEMENT OVER AND FOR BENEFIT OF: SEE INSTRUMENT
232 099 983	27/03/2023	MORTGAGE MORTGAGEE - ROYNAT INC. 40 KING STREET WEST,13 FLOOR TORONTO ONTARIO M5H1H1

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION
NUMBER DATE (D/M/Y) PARTICULARS

ORIGINAL PRINCIPAL AMOUNT: $100,000,000

232 099 984 27/03/2023 CAVEAT
RE : ASSIGNMENT OF RENTS AND LEASES
CAVEATOR - ROYNAT INC.
40 KING STREET WEST,13 FLOOR
TORONTO
ONTARIO M5H4A9
AGENT - ROBIN G LOKHORST

TOTAL INSTRUMENTS: 003

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 17 DAY OF MARCH, 2025 AT 02:26 P.M.

ORDER NUMBER: 53158051

CUSTOMER FILE NUMBER: 8431/1367 HN

END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION, APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).

Appendix "F"

Fontana Title Certificate

See attached.



Transaction Identification Data, for which the Company assumes no liability as set forth in Commitment Condition 5.e.:
Issuing Agent: First American Title Insurance Company National Commercial Services
Issuing Office: 200 West Madison Street, Suite 800, Chicago, IL 60606
Commitment No.: **NCS-1247558-CHI2**
Issuing Office File No.: NCS-1247558-CHI2
Property Address: 15762 Valley Boulevard,Fontana, CA 92335
Reference No.: 15762 Valley Boulevard
Revision No.: 01
Escrow Officer/Assistant: Maritza Unizycki/ Jaquelin Estrada
Phone: (312)917-7251/
Email: munizycki@firstam.com/ jestrada@firstam.com
Title Officer/Assistant: Michelle Owens/ Joseph Berry
Phone: (312)917-7216/
Email: MOwens@firstam.com/ jberry@firstam.com

SCHEDULE A

1. Commitment Date: January 13, 2025 at 7:30 AM

2. Policy to be issued:
   a. ALTA® Extended Owner's Policy
      Proposed Insured: Duff Real Estate, LLC, a Mississippi limited liability company
      Proposed Amount of Insurance: $17,650,000.00
      The estate or interest to be insured: See Item 3 below
   b. ALTA® Extended Loan Policy
      Proposed Insured: Hancock Whitney Bank and each successor and/or assign that is defined as an Insured in the Conditions.
      Proposed Amount of Insurance: $15,002,500.00
      The estate or interest to be insured: See Item 3 below

3. The estate or interest in the Land at the Commitment Date is:

   FEE

4. The Title is, at the Commitment Date, vested in:

   Valley Boulevard Fontana Holding Corp., a California corporation

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5. The Land is described as follows:

   See Exhibit A attached hereto and made a part hereof.

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Commitment No. NCS-1247558-CHI2

SCHEDULE B, PART I—Requirements

All of the following Requirements must be met:

A. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.

B. Pay the agreed amount for the estate or interest to be insured.

C. Pay the premiums, fees, and charges for the Policy to the Company.

D. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.

E. Releases(s) or Reconveyance(s) of Item(s): 16, 17, 18, 20 and 22

F. Other: NONE

G. You must give us the following information:
   a. Any off-record leases, surveys, etc.
   b. Statement(s) of Identity, all parties.
   c. Other: NONE

The following additional requirements, as indicated by "X", must be met:

☒ H. Provide information regarding any off-record matters, which may include, but are not limited to: leases, recent works of improvement, or commitment statements in effect under the Environmental Responsibility Acceptance Act, Civil Code Section 850, et seq.

☒ I. The Company's Owner's Affidavit form (attached hereto) must be completed and submitted prior to close in order to satisfy this requirement. This Commitment will then be subject to such further exceptions and/or requirements as may be deemed necessary.

☒ J. An ALTA/NSPS survey of recent date, which complies with the current minimum standard detail requirements for ALTA/NSPS land title surveys, must be submitted to the Company for review. This Commitment will then be subject to such further exceptions and/or

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requirements as may be deemed necessary.

☐ K. The following LLC documentation is required from the seller:
a. a copy of the Articles of Organization.
b. a copy of the Operating Agreement, if applicable.
c. a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State.
d. express Company Consent to the current transaction.

☐ L. The following partnership documentation is required:
a. a copy of the partnership agreement, including all applicable amendments thereto.
b. a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State.
c. express Partnership Consent to the current transaction.

☒ M. The following corporation documentation is required:
a. a copy of the Articles of Incorporation.
b. a copy of the Bylaws, including all applicable Amendments thereto.
c. a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State.
d. express Corporate Resolution consenting to the current transaction.

☐ N. Based upon the Company's review of that certain partnership/operating agreement dated Not disclosed for the proposed insured herein, the following requirements must be met: Any further amendments to said agreement must be submitted to the Company, together with an affidavit from one of the general partners or members stating that it is a true copy, that said partnership or limited liability company is in full force and effect, and that there have been no further amendments to the agreement. This Commitment will then be subject to such further requirements as may be deemed necessary.

☐ O. A copy of the complete lease, as referenced in Schedule A, #3 herein, together with any amendments and/or assignments thereto, must be submitted to the Company for review, along with an affidavit executed by the present lessee stating that it is a true copy, that the lease is in full force and effect, and that there have been no further amendments to the lease. This Commitment will then be subject to such further requirements as may be deemed necessary.

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☒ P. Approval from the Company's Underwriting Department must be obtained for issuance of the policy contemplated herein and any endorsements requested thereunder. This Commitment will then be subject to such further requirements as may be required to obtain such approval.

☒ Q. Potential additional requirements, if ALTA Extended coverage is contemplated hereunder, and work on the land has commenced prior to close, some or all of the following requirements, and any other requirements which may be deemed necessary, may need to be met:
a. The Company's "Indemnity Agreement I" must be executed by the appropriate parties.
b. Financial statements from the appropriate parties must be submitted to the Company for review.
c. A copy of the construction contract must be submitted to the Company for review.
d. An inspection of the Land must be performed by the Company for verification of the phase of construction.
e. The Company's "Mechanic's Lien Risk Addendum" form must be completed by a Company employee, based upon information furnished by the appropriate parties involved.

☒ R. Satisfactory disposal of the following matter, disclosed by Notice of Pendency of Action (Lis Pendens) in the matter of Lord Constructors, Inc., a California corporation, Plaintiff v. Valley Boulevard Fontana Holding Corp., a California corporation; Pride Group Enterprises, LLC, a limited liability company, Case No. CIVSB2323135.

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Commitment No. NCS-1247558-CHI2

SCHEDULE B, PART II—Exceptions

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This Commitment and the Policy treat any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document will be excepted from coverage.

The Policy will not insure against loss or damage resulting from the terms and conditions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I—Requirements are met.

2. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.

3. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.

4. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.

5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the Public Records.

6. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

7. Any lien or right to a lien for services, labor or material unless such lien is shown by the Public Records at Date of Policy.

8. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, geothermal resources, uranium, clay, rock, sand and gravel

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located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

9. General and special taxes and assessments for the fiscal year 2025-2026, a lien not yet due or payable.

10. General and special taxes and assessments for the fiscal year 2024-2025.

First Installment:	$68,287.94, DELINQUENT
Penalty:	$6,828.79
Second Installment:	$68,287.92, OPEN
Penalty:	$0.00
Tax Rate Area:	010000
A. P. No.:	0235-141-06-0-000

11. The lien of defaulted taxes for the fiscal year 2023, and any subsequent delinquencies.

Tax Rate Area:	010000
A. P. No.:	0235-141-06-0-000
Amount to redeem:	$77,052.95
Valid through:	January 2025
Amount to redeem:	$78,011.81
Valid through:	February 2025

Please contact the tax office to verify the payoff amount.

12. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

13. The fact that the land lies within the boundaries of the Southwest Industrial Park Redevelopment Project Area, as disclosed by the document recorded July 25, 1977 as Book 9226, Page 982 of Official Records.

14. The effect of a map purporting to show the land and other property, filed in Book 58, Page 58 of Record of Surveys.

15. This item has been intentionally deleted.

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16. A deed of trust to secure an original indebtedness of $23,500,000.00 recorded April 01, 2021 as Instrument No. 2021-0149202 of Official Records.

Dated:	March 2021
Trustor:	Valley Boulevard Fontana Holding Corp., a California corporation
Trustee:	Stewart Title of California, Inc.
Beneficiary:	Roynat Inc.

The above deed of trust states that it secures a line of credit. Before the close of escrow, we require evidence satisfactory to us that (a) all checks, credit cards or other means of drawing upon the line of credit have been surrendered to escrow, (b) the borrower has not drawn upon the line of credit since the last transaction reflected in the lender's payoff demand, and (c) the borrower has in writing instructed the beneficiary to terminate the line of credit using such forms and following such procedures as may be required by the beneficiary.

A document recorded May 11, 2023 as Instrument No. 2023-0114471, of Official Records provides that the Deed of Trust/Mortgage or the obligation secured thereby has been modified.

17. Any lien, assessment, and /or violation or enforcement of any law, ordinance, permit or governmental regulation arising from the document entitled Notice of Pendency of Administrative Proceedings recorded October 20, 2021 as Instrument No. 2021-0474274 of Official Records.

18. A claim of lien recorded April 12, 2024 as Instrument No. 2024-0083026 of Official Records.

Lien claimant:	Riley Electric Inc.
Amount:	$49,235.26

19. The terms and provisions contained in the document entitled "Memorandum of Agreement for Water Quality Management Plan and Storm Water BMP Transfer Access and Maintenance" recorded April 17, 2024 as Instrument No. 2024-0089084 of Official Records.

20. A claim of lien recorded April 19, 2024 as Instrument No. 2024-0091645 of Official Records.

Lien claimant:	Lord Constructors, Inc.
Amount:	$466,273.04

21. An easement for street, highway, and public utility and incidental purposes, recorded April 25, 2024 as Instrument No. 2024-0096598 of Official Records.

In Favor of:	City of Fontana, a municipal corporation
Affects:	as described therein

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22. A claim of lien recorded October 07, 2024 as Instrument No. 2024-0239781 of Official Records.
    Lien claimant: Vega Iron Works, Inc.
    Amount: $65,055.00

23. Any statutory lien for labor or materials arising by reason of a work of improvement now in progress or recently completed.

24. Water rights, claims or title to water, whether or not shown by the Public Records.

25. This item has been intentionally deleted.

26. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/NSPS survey.

27. Rights of parties in possession.

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INFORMATIONAL NOTES

ALERT - CA Senate Bill 2 imposes an additional fee of $75 up to $225 at the time of recording on certain transactions effective January 1, 2018. Please contact your First American Title representative for more information on how this may affect your closing.

1. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land a(n) Commercial Structure known as 15762 Valley Boulevard, Fontana, CA.

2. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

   None

3. This preliminary report/commitment was prepared based upon an application for a policy of title insurance that identified land by street address or assessor's parcel number only. It is the responsibility of the applicant to determine whether the land referred to herein is in fact the land that is to be described in the policy or policies to be issued.

The map attached, if any, may or may not be a survey of the land depicted thereon. First American Title Insurance Company expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of this Commitment or the Policy, if any, to which the map is attached.

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Commitment No. NCS-1247558-CHI2

EXHIBIT A

The Land referred to herein below is situated in the City of Fontana, County of San Bernardino, State of California, and is described as follows:

The East 5 acres of the West 10.17 acres of Lot 823, RESUBDIVISION OF TOWNSITE OF SAN SEVAINE, in the County of San Bernardino, State of California, as per plat recorded in Book 18 of Maps, Page 78, Records of said county.

Excepting therefrom the South 40 feet as conveyed to the State of California.

Note: The areas and distances of the above described property are computed to the centers of the adjoining streets shown on said map.

For conveyancing purposes only: APN 0235-141-06-0-000

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ALTA COMMITMENT FOR TITLE INSURANCE
issued by
FIRST AMERICAN TITLE INSURANCE COMPANY

NOTICE

IMPORTANT—READ CAREFULLY: THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACONTRACTUAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and the Commitment Conditions, First American Title Insurance Company, a Nebraska Corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Amount of Insurance and the name of the Proposed Insured.

If all of the Schedule B, Part I—Requirements have not been met within six months after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

FIRST AMERICAN TITLE INSURANCE COMPANY

By: _____
Kenneth D. DeGiorgio, President

By: _____
Lisa W. Cornehl, Secretary

This page is only a part of a 2021 ALTA Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; and Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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COMMITMENT CONDITIONS

1. DEFINITIONS

a. "Discriminatory Covenant": Any covenant, condition, restriction, or limitation that is unenforceable under applicable law because it illegally discriminates against a class of individuals based on personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or other legally protected class.

b. "Knowledge" or "Known": Actual knowledge or actual notice, but not constructive notice imparted by the Public Records.

c. "Land": The land described in Item 5 of Schedule A and improvements located on that land that by State law constitute real property. The term "Land" does not include any property beyond that described in Schedule A, nor any right, title, interest, estate, or easement in any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway, but does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.

d. "Mortgage": A mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.

e. "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.

f. "Proposed Amount of Insurance": Each dollar amount specified in Schedule A as the Proposed Amount of Insurance of each Policy to be issued pursuant to this Commitment.

g. "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.

h. "Public Records": The recording or filing system established under State statutes in effect at the Commitment Date under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge. The term "Public Records" does not include any other recording or filing system, including any pertaining to environmental remediation or protection, planning, permitting, zoning, licensing, building, health, public safety, or national security matters.

i. "State": The state or commonwealth of the United States within whose exterior boundaries the Land is located. The term "State" also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.

j. "Title": The estate or interest in the Land identified in Item 3 of Schedule A.

2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

a. the Notice;
b. the Commitment to Issue Policy;
c. the Commitment Conditions;
d. Schedule A;

This page is only a part of a 2021 ALTA Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; and Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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e. Schedule B, Part I—Requirements; and
f. Schedule B, Part II—Exceptions; and
g. a counter-signature by the Company or its issuing agent that may be in electronic form.

4. COMPANY'S RIGHT TO AMEND

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company is not liable for any other amendment to this Commitment.

5. LIMITATIONS OF LIABILITY

a. The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
   i. comply with the Schedule B, Part I—Requirements;
   ii. eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
   iii. acquire the Title or create the Mortgage covered by this Commitment.
b. The Company is not liable under Commitment Condition 5.a. if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
c. The Company is only liable under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
d. The Company's liability does not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Condition 5.a. or the Proposed Amount of Insurance.
e. The Company is not liable for the content of the Transaction Identification Data, if any.
f. The Company is not obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
g. The Company's liability is further limited by the terms and provisions of the Policy to be issued to the Proposed Insured.

6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT; CHOICE OF LAW AND CHOICE OF FORUM

a. Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
b. Any claim must be based in contract under the State law of the State where the Land is located and is restricted to the terms and provisions of this Commitment. Any litigation or other proceeding brought by the Proposed Insured against the Company must be filed only in a State or federal court having jurisdiction.
c. This Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or

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oral, express or implied, relating to the subject matter of this Commitment.

d. The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.

e. Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.

f. When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

7. IF THIS COMMITMENT IS ISSUED BY AN ISSUING AGENT

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for closing, settlement, escrow, or any other purpose.

8. PRO-FORMA POLICY

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

9. CLAIMS PROCEDURES

This Commitment incorporates by reference all Conditions for making a claim in the Policy to be issued to the Proposed Insured. Commitment Condition 9 does not modify the limitations of liability in Commitment Conditions 5 and 6.

10. CLASS ACTION

ALL CLAIMS AND DISPUTES ARISING OUT OF OR RELATING TO THIS COMMITMENT, INCLUDING ANY SERVICE OR OTHER MATTER IN CONNECTION WITH ISSUING THIS COMMITMENT, ANY BREACH OF A COMMITMENT PROVISION, OR ANY OTHER CLAIM OR DISPUTE ARISING OUT OF OR RELATING TO THE TRANSACTION GIVING RISE TO THIS COMMITMENT, MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS OR REPRESENTATIVE PROCEEDING. ANY POLICY ISSUED PURSUANT TO THIS COMMITMENT WILL CONTAIN A CLASS ACTION CONDITION.

11. ARBITRATION

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Amount of Insurance is $2,000,000 or less may be arbitrated at the election of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at http://www.alta.org/arbitration.

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Appendix "G"

Lord's Notice of Pendency of Action

See attached.

Cynthia D. Hafif-Stonehouse, Esq. (SBN 153088)
Michael J. Huber, Esq. (SBN 304472)
HAFIF-STONEHOUSE LAW GROUP, APLC
10165 Foothill Boulevard, Suite 3
Rancho Cucamonga, CA 91730-0341
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Facsimile: (909) 291-2440
Email: cdhafif@hafiflegal.com
Email: mjhuber@hafiflegal.com

Attorneys for Plaintiff LORD CONSTRUCTORS, INC.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO, UNLIMITED JURISDICTION

LORD CONSTRUCTORS, INC., a California corporation, Plaintiff, v. VALLEY BOULEVARD FONTANA HOLDING CORP., a California corporation; PRIDE GROUP ENTERPRISES, LLC, a limited liability company; and DOES 1 through 20, inclusive, Defendants.	CASE NO. CIVSB2423135 **NOTICE OF PENDENCY OF ACTION (LIS PENDENS)** [Judge for All Purposes: Hon. Khymberli S. Apaloo; Department S25-SBJC] Complaint Filed: 07/14/24 Trial Date: None set

NOTICE IS HEREBY GIVEN that an action has been commenced and is pending in the Superior Court located at the San Bernardino Justice Center, 247 West Third Street, San Bernardino, California 92415, upon the complaint of the above-named plaintiff against the above-named defendants; that the object of said action is to foreclose and enforce a Mechanic's Lien upon the premises hereinafter described, and the building or buildings situated thereon, for labor and materials furnished to be used and which were actually used in the construction, alteration, addition to, and/or repair of said building or buildings, and amounting to the sum of

$466,273.04 together with interest and costs; notice and claim of said lien was recorded on April 19, 2024, as Instrument No. 2024-0091645 of Official Records in the County of San Bernardino; and that the premises affected by said lien and these foreclosure proceedings are situated at property located at the municipal address of 15762 Valley Boulevard, Fontana, California 91786-6450. The property subject to said Lis Pendens is further described as APN 0235-141-06-0000, the East 5 Acres of the West 10.17 Acres of Lot 823, Resubdivision of Townsite of Sansevaine, in the County of San Bernardino, State of California, as per plat recorded in Book 18 of Maps, Page 78, Records of said County, excepting therefrom the South 40 feet as conveyed to the State of California.

DATED: February 4 , 2025

HAFIF-STONEHOUSE LAW GROUP, APLC

Michael J. Huber, Esq.
Attorneys for Plaintiff LORD CONSTRUCTORS, INC.

PROOF OF SERVICE

STATE OF CALIFORNIA)
)
COUNTY OF SAN BERNARDINO)

I am over the age of 18 years of age and not a party to the within action; the business address where the following documents were derived is 10165 Foothill Boulevard, Suite 3, Rancho Cucamonga, California 91730-0341.

On February 4, 2025, I served the following document(s) on the interested parties in this action listed below, as follows:

NOTICE OF PENDENCY OF ACTION (LIS PENDENS)

__X__ **BY REGISTERED MAIL, RETURN RECEIPT REQUESTED.** I enclosed the document(s) in a sealed envelope or package addressed to the entities at the addresses below. I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the United States Postal Service on that same day with postage thereon fully prepaid at Rancho Cucamonga, California, in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage metered date is more than one day after the date of deposit for mailing affidavit.

VALLEY BOULEVARD FONTANA HOLDING CORP.
1450 MEYERSIDE DRIVE, #401
MISSISSAUGA ON L5T 2N5
CANADA

PRIDE GROUP ENTERPRISES, LLC
6050 DIXIE RD
MISSISSAUGA ON L5T 1A6
CANADA

__X__ **BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED.** I enclosed the document(s) in a sealed envelope or package addressed to the entities at the addresses below. I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the United States Postal Service on that same day with postage thereon fully prepaid at Rancho Cucamonga, California, in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage metered date is more than one day after the date of deposit for mailing affidavit.

VALLEY BOULEVARD FONTANA HOLDING CORP.
1100 BRICKELL BAY DRIVE, #310747
MIAMI, FL 33231-1238

VALLEY BOULEVARD FONTANA HOLDING CORP.
C/O REGISTERED AGENTS, INC.
1401 21ST STREET, STE. 370, STE. B
SACRAMENTO, CA 95811-5229

PRIDE GROUP ENTERPRISES, LLC
C/O 1505 CORPORATION
C T CORPORATION SYSTEM
330 N BRAND BOULEVARD
GLENDALE, CA 91203

__X__ **BY ELECTRONIC TRANSMISSION.** Pursuant to C.C.P. section 1010.6 (a)(1)(A), which states: "Electronic service may be performed directly by a person, including a party, by a person's agent, including the person's attorney, or through an electronic filing service provider, and by a court." I have confirmed by telephone or email the appropriate electronic service address for counsel being served and hereby serve a true copy of the aforementioned document(s) via electronic mail on the parties in said action by email transmission to the address(es) as set forth below on this date.

Attorneys for Defendants Valley Boulevard Fontana Holding Corp. and Pride Group Enterprises, LLC
Amtoj S. Randhawa, Esq.
Chief Legal Officer
Pride Group Enterprises
400 Spectrum Center Drive, Suite 280
Irvine, CA 92618
Telephone: (949) 749-2185
Email: Amtoj.Randhawa@PrideGroupEnterprises.com

Executed on February 4, 2025, at Rancho Cucamonga, California.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Linda Kastelic
Linda Kastelic

Proof of Service

Court File No.: CV-24-00717340-00CL

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 PRIDE GROUP HOLDINGS INC., et al.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

TWENTY FOURTH REPORT OF THE MONITOR
dated March 24, 2025

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Barristers and Solicitors
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Toronto, Ontario M5L 1A9

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Lawyers for the Monitor