

**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

THIRTEENTH REPORT OF THE MONITOR

DATED August 8, 2024

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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**"). The Monitor filed a Pre-Filing Report dated March 27, 2024 in connection with the CCAA Application.
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 until and including April 6, 2024, which stay expired the next business day, April 8, 2024 (the "**Stay Period**"). 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. 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 Period to June 30, 2024, approved the DIP Term and granted other relief as further described in the First Report.
5. 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**”). 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.
6. 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.
7. 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**”).

8. 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.¹ (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.
9. 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 (the “**Amended and Restated Protocols Order**”), which included the Revised Governance Protocol.
10. 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.
11. 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,

¹ Pride Global Insurance Company Ltd. is not an Applicant in these proceedings and is an Additional Stay Party as listed in Schedule “A” to the Second ARIO.

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.

12. 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.
13. 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**”), and (iii) an order approving a transaction contemplated by a factoring portfolio purchase agreement (the “**Factoring Transaction**”) between TPine Financial Services Inc., 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. 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.
14. 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. That motion was scheduled for August 7, 2024. 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. The parties are continuing to work on a consent order in respect of same.

15. 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, as well as an Estimate to Turnover, 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.
16. 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 has 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 MCVs, which are subject to the Entitlement Claims Process).
17. On August 2, 2024, 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 Manager**") as manager, an officer of the Court (in such capacity, the "**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 Manager as Manager and the other relief set out in the Syndicate Collateral Management Order. The

Monitor has not yet had an opportunity to engage with the DIP Agent and its advisors to discuss this motion.

18. On August 4, 2024, the Monitor served its responses to written interrogatories received from certain Securitization Counterparties on July 26, 2024 with respect to information contained in certain previous Monitor reports.
19. 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 and approving the distribution of net proceeds of sale to Roynat, and (i) an approval and vesting order in respect of the sale of certain property in Cornwall, Ontario 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.
20. This report (the “**Thirteenth Report**”) should be read in conjunction with prior Monitor Reports and the Affidavit of Randall Benson, sworn August 7, 2024 (the “**Benson Affidavit**”).

TERMS OF REFERENCE

21. In preparing this Thirteenth 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 Thirteenth 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 Thirteenth 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.

22. Any future-oriented financial information referred to in this Thirteen 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.
23. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in this Thirteenth Report concerning the Pride Group and their business is based on the Information, and not independent factual determinations made by the Monitor.
24. Capitalized terms not otherwise defined herein have the meaning given to them in the Fifth Report, Tenth Report or Second ARIO, as applicable.

PURPOSE

25. The purpose of this Thirteenth Report is to provide the Court with:
 - (a) an update in respect of the Validation Mandate (as defined below), the DIP Facility (defined below), and the status of the Pride Entities' liquidity;
 - (b) information with respect to the Pride Entities' motion for an order that includes the following relief (the "**Requested Relief**"):
 - (i) an order authorizing and entitling the Pride Entities to apply any Lease Payments and Soft Collections (each as defined in the Benson Affidavit), but excluding amounts collected in respect of (i) MCVs, or (ii) Securitization Programs ("**Deferred Payments**") to pay their ordinary course working capital needs and for other general corporate purposes until further Order of the Court, subject to the Monitor's review and oversight, provided that the Pride Entities shall continue to abide by the reporting and

record-keeping obligations in respect of such Deferred Payments set out in the Revised Governance Protocol;

(ii) ratifying and approving the Indicative Term Sheet (as defined below), and the Pride Entities' execution of same, and

(iii) sealing Confidential Exhibit 1 to the Benson Affidavit, pending further Order of the Court; and

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

VALIDATION MANDATE UPDATE

26. Pursuant to the Second ARIO, the Monitor was empowered and directed to assist the Pride Entities and the Court in assessing the validity, enforceability and relative priority of any security, ownership or other interest which any person (including a Securitization Counterparty or Secured Creditor) may assert in or to any property, including property purportedly transferred under a Securitization Program or pledged to Secured Creditors (the "**Validation Mandate**"). In discharging the Validation Mandate, the Monitor instructed its Canadian and U.S. Counsel to undertake (i) a review of the Securitization Programs and report on their findings in order to inform the Monitor's interim Turn-Over recommendations to the Court, and (ii) a review of security governed by Canadian and U.S. law.

27. The Validation Mandate was a critical step to facilitate a determination for dealing with a myriad of asserted interests in equipment, inventory and leases related thereto together with proceeds thereof ("**Inventory or Equipment**") and other personal property subject to these CCAA Proceedings. The Monitor understood it to be imperative that there was a transparent and objective process to determine entitlement to ensure that all interested parties were being treated in a fair and even manner, had an opportunity to raise concerns with the proposed treatment of any Inventory or Equipment in which they assert an interest and, ultimately, that no one party is prejudiced by the rights sought to be exercised by another. In addition, such a review directly relates to the identification of assets and collateral that may be excluded from the DIP Lenders' Charge. The Validation Mandate

was complicated, time consuming, and without precedent in Canadian insolvency proceedings, yet critical to the fair and orderly conduct of these CCAA Proceedings for the benefit of all stakeholders.

28. The Monitor has satisfied the Validation Mandate as of the date hereof based on the Monitor issuing the Tenth Report and Eleventh Report, as discussed in paragraphs 14 and 16 herein. The Monitor has also apprised all stakeholders and the Court in respect of its proposed methodology for the allocation of direct legal fees and disbursements of the Securitization Program review undertaken by Canadian Counsel and U.S. Counsel, as discussed in paragraph 15 herein.
29. The Eleventh Report provided for, among other things, pivotal analysis in respect of VINs (as defined therein) where a Secured Creditor had not provided the Monitor sufficient evidence of a perfected and priority security interest, together with the identification of the universe of MCVs. The Monitor was of the view that over 1,750 separate VINs comprise MCVs and that there were over 2,200 VINs where a Secured Creditor had not provided sufficient evidence of a perfected security interest and priority, as further specified in the Eleventh Report, such that the DIP Lenders' Charge would have priority. The Monitor anticipates that its Eleventh Report will result in a significant number of inquiries by parties of interest and potential inter-creditor disputes, with any disputes relating to MCVs being addressed through the Entitlement Claims Process. No process has yet been established for disputes relating to VINs identified as subject to the priority of the DIP Agent, but the Monitor intends to engage with the DIP Agent and affected Financiers on advancing the determination of such disputes by agreement of relevant parties or Court order. The numerous competing claims for VINs together with attendant costs of uncoordinated enforcement actions support the need for an orderly and centralized wind-down of the Pride Entities for the benefit of its stakeholders to avoid the chaos and expense that would ensue if individual enforcement actions were taken.

DIP FACILITY UPDATE

Background Details

30. Pursuant to the ARIO, the Pride Entities were authorized and empowered to obtain and borrow pursuant to a credit facility from the DIP Lenders in order to finance the ordinary course working capital and other general corporate purposes of the Pride Entities, provided that borrowings under such credit facility did not exceed a principal amount of \$30 million unless permitted by further Order of the Court, with such credit facility (the “**DIP Facility**”) being provided on the terms and subject to the conditions set forth in the DIP Term Sheet, as memorialized by the fourth amended and restated credit agreement dated May 10, 2024 (as amended from time to time, the “**DIP Credit Agreement**”). The DIP Facility was intended to be temporary relief used to address the Pride Entities’ immediate liquidity issues and to bridge the Pride Entities to a more long-term solution.
31. The Governance Protocol was established as required by the DIP Term Sheet, with the Revised Governance Protocol being approved pursuant to the Amended and Restated Protocols Order. The Revised Governance Protocol serves the important purpose of imposing discipline, predictability, flexibility and transparency on the operations of the Pride Entities throughout these CCAA Proceedings. Most notably, the Revised Governance Protocol provides for, among other things, requirements to be followed by the Pride Entities in respect of disbursing collected Lease Payments and Soft Collections to applicable Financiers.
32. The DIP Credit Agreement initially provided for a maturity date of June 30, 2024 (the “**Outside Maturity Date**”) and provided that the Outside Maturity Date would be automatically extended to September 30, 2024 upon satisfaction of certain conditions precedent, including, but not limited to, (i) the receipt by the DIP Agent by no later than June 1, 2024 of the detailed principal terms of a restructuring plan (the “**Restructuring Plan**”) supported by the Monitor with appropriate financial analysis, which provided for a path for repayment in full of the DIP Obligations (as defined in the DIP Credit Agreement) by no later than September 30, 2024, and (ii) the receipt of the approval of the Lenders (as defined therein) of the Restructuring Plan by June 15, 2024.

33. The Restructuring Plan was delivered to the DIP Agent pursuant to the DIP Credit Agreement and presented to the DIP Agent on June 6, 2024. As further detailed in the affidavit of Randy Benson sworn on June 12, 2024, the fundamental elements of the Restructuring Plan included, among other things: (i) an orderly disposition of certain assets and certain real property to align with the physical movement of vehicles, (ii) an inventory monetization strategy, (iii) turn over of assets owned by Securitization Parties back to them, (iv) transitioning of servicing duties, (v) the going concern continuation of a leaner go-forward business, and (vi) additional DIP borrowings to support the foregoing.
34. Based on discussions with the DIP Agent, it did not appear that approval of the Restructuring Plan condition precedent was going to be satisfied by June 15, 2024, and the Pride Entities engaged with the DIP Agent, in consultation with the Monitor and CRO, to (i) pursue an extension of the Outside Maturity Date and Restructuring Plan condition precedent deadlines, and (ii) address additional funding needs.
35. As discussed in the Supplement to the Ninth Report, on July 3, 2024, the Court granted an Order (the “**DIP Amendment Order**”) approving the Term Sheet – First Amendment to Fourth Amended and Restated Credit Agreement, dated July 2, 2024 (the “**DIP Amendment Term Sheet**”), which provided for, among other things, (i) the increase of the maximum availability under the DIP Facility to \$36,300,000 from \$30,000,000, and (ii) an extension of the Outside Maturity Date under the DIP Credit Agreement from June 30, 2024 to July 31, 2024, subject to such Outside Maturity Date being automatically extended to September 30, 2024 if certain conditions to extension were satisfied, including approval by the Lenders of a Restructuring Plan by no later than July 15, 2024.
36. The DIP Amendment Order authorized and empowered the Pride Entities to execute and deliver an amending agreement (the “**Amending Agreement**”) to the DIP Credit Agreement substantially on the terms of the DIP Amendment Term Sheet. Execution of the Amending Agreement and satisfaction of the conditions precedent to effectiveness thereof was required before the Outside Maturity Date would be extended and the Pride Entities would have any further access to the DIP Facility (including the increased availability thereunder).

Recent DIP Advances

37. The Pride Entities and the DIP Agent, in consultation with the Monitor, worked diligently to (i) negotiate and finalize the Amending Agreement prior to the Outside Maturity Date of July 31, 2024, which Amending Agreement was executed on July 23, 2024, and (ii) facilitate draws of the remaining amount available under the DIP Facility.
38. The Pride Entities received on July 25, 2024, an advance under the DIP Facility in the amount of \$10,876,785 (\$4,023,880 CAD and \$4,168,349 USD). The DIP Agent permitted a direction of certain amounts from this advance to pay the DIP Agent's outstanding professional advisor fees. Additionally, certain amounts from this advance were remitted to the Segregated Lease Accounts (as defined in the DIP Credit Agreement), the payment of which was a condition precedent of such advance. Following this advance, the Pride Entities requested a final advance on July 23, 2024 under the DIP Facility in the amount of \$10,002,000 (the **"Final Advance"**).
39. Subsequent to submitting the request for the Final Advance, the Pride Entities were advised that certain conditions precedent to further funding were not satisfied but the Lenders would consider making the Final Advance pursuant to escrow-like arrangements to be agreed upon by the parties.
40. On July 30, 2024, the Pride Entities entered into a payment procedure agreement (the **"Payment Procedure Agreement"**), which is attached hereto as **Appendix "A"**. The Payment Procedure Agreement required the Monitor to hold the Final Advance in a segregated Monitor account (**"Monitor's Segregated Account"**) and use such funds in accordance with restrictions requiring that (i) prior to having access to such funds, the Pride Entities top-up the Monitor's Segregated Account by approximately \$8.6 million (the **"Payment Procedure Top-Up"**), and (ii) the funds in the Monitor's Segregated Account being solely applied to pay certain disbursements specified in the DIP Budget (as defined in the DIP Credit Agreement), being the following amounts accrued as at July 31, 2024 (collectively, the **"July 31st Accruals"**): (a) equipment payments in the amount of approximately \$5.21 million, (b) floor plan financier payments in the amount of

approximately \$3.81 million, (c) lease collection payments in the amount of approximately \$4.65 million, and (d) HST payments in the amount of approximately \$4.89 million.

41. The Final Advance was received by the Monitor on July 31, 2024.
42. Accordingly, as at the date hereof, the Pride Entities have drawn \$35,883,935, which is almost the full amount available under the DIP Facility, being \$36,300,000; however, the Pride Entities do not have unrestricted access to the amount of the Final Advance which can only be disbursed in accordance with the Payment Procedure Agreement.
43. The Pride Entities and the DIP Agent, in consultation with the Monitor, continued to diligently pursue approval by the Lenders of a Restructuring Plan by July 15, 2024, which approval was not obtained. Accordingly, the Outside Maturity Date of the DIP Facility was not extended beyond July 31, 2024, and on August 1, 2024, the Monitor delivered a letter to the Service List (the “**August 1 Letter**”) which advised, among other things, that:
 - (a) the DIP Facility had matured on July 31, 2024, with the maximum amount available thereunder fully drawn prior to maturity;
 - (b) the Pride Entities and the CRO are in advanced discussions with another potential debtor-in-possession lender; and
 - (c) the Monitor is assisting the Pride Entities and the CRO to advance an orderly monetization plan for presentation to the Court and stakeholders.

A copy of the August 1 Letter is attached hereto as **Appendix “B”**.

Orderly Disposition

44. Given the feedback it has received to date, the Monitor no longer views a going-concern Restructuring Plan as a feasible option given the lack of stakeholder support for it. Accordingly, the Pride Entities and the CRO, in consultation with the Monitor, intend to continue to move forward with a centralized, coordinated and controlled disposition and wind-up of the remaining Pride Entities assets (the “**Orderly Disposition**”) and the CRO,

in consultation with the Monitor and subject to direction from the Court, intends to continue to move forward with a going concern sale or wind-down of the PGL Entities.

45. An Orderly Disposition is imperative, given the vast number of vehicles in the Pride Entities' fleet across North America, in addition to the thousands of leased Vehicles (most of which are constantly in transit). Any form of wind down will require liquidity to fund the necessary payroll, transition costs, transfer of assets to the applicable Securitization Parties, and administration costs of the Pride Entities. Without this funding, employees would have to be immediately terminated, customers would be stranded, committed and in-progress sales would be abandoned, leases would not be serviced, delinquency rates would increase, and a large number of vehicles would be abandoned without the critical infrastructure needed to support their retrieval or to determine competing claims against the assets of the Pride Entities. As such, the CRO and the Monitor have considered options to best secure additional debtor-in-possession financing to fund the Orderly Disposition and other remaining matters in these CCAA Proceedings, such as the Entitlement Claims Process (collectively, the "**Remaining Matters**").

Indicative Term Sheet

46. Efforts to secure additional interim financing (a "**New Interim Financing Facility**") in order to pursue an Orderly Disposition have resulted in the Pride Entities entering into a non-binding funded agency agreement indicative term sheet, dated August 5, 2024 (the "**Indicative Term Sheet**"), (i) a redacted copy of which, to protect commercially sensitive information, is included as Exhibit "E" to the Benson Affidavit, and (ii) an unredacted copy of which is included as Confidential Exhibit 1 to the Benson Affidavit.
47. The Indicative Term Sheet provides for Nations Capital, LLC ("**NCI**"), as agent, and 1903P Loan Agent, LLC or its affiliates ("**Gordon Brothers**"), as lender, to jointly provide disposition services and financing to the Pride Entities in a single, integrated transaction tailored to the specific needs of the Pride Entities. There are substantial benefits to the transactions contemplated by the Indicative Term Sheet, including: (i) the engagement of a third-party expert to manage the Orderly Disposition, and (ii) the necessary financing being provided to facilitate the Orderly Disposition. Unless a going concern transaction in

respect of the PGL Entities is completed or other relief granted in respect of the PGL Entities is granted, the transactions contemplated by the Indicative Term Sheet will provide sufficient financing for a controlled and orderly wind up of the PGL Entities.

48. The Indicative Term Sheet is described in greater detail below. At a hearing scheduled for August 9, 2024, the Pride Entities are seeking approval of the Indicative Term Sheet and the exclusivity and initial deposit provided for therein. However, the Pride Entities are not seeking approval at this time of the interim financing facility contemplated by the Indicative Term Sheet. If and when definitive documentation is entered into with NCI and Gordon Brothers, then the Pride Entities will seek approval of same on proper notice (including of the economic terms) to interested parties.
49. NCI and its affiliate, Gordon Brothers, have over 100 years of combined experience of providing capital in distressed situations across various industries, including, but not limited to, transportation and equipment, real estate, accounts receivable, lease portfolio purchases, inventory and intellectual property. NCI utilizes a variety of selling platforms and leverages its collective database of worldwide customers through a combination of private treaty sales, strategic sales (multi-unit, regional, or geography-driven bulk sales), extensive dealership network, and as a last resort, auctions. NCI has the operational and logistical experience and capabilities to recommend and implement a strategic plan to store or remove assets from the Pride Entities' locations, and in turn, reduce the footprint and expense of the Pride Entities, complete management and administrative handling of all titles associated with vehicles, and supply all back-office support for invoicing, collection, and tracking of proceeds. In addition to these core services, NCI provides other services, including transportation and logistics, refurbishment and repair, secure storage, and insurance options (as needed). NCI can also assist with titling issues, missing titles, and taxes through being a licensed US motor vehicle dealer.
50. As an example of NCI's experience, NCI acted as "Co-Agent" to sell over 60,000 rolling stock assets of Yellow Corporation appraised at a value of approximately US\$1 billion in one of the largest if not the largest dispositions of commercial and industrial equipment ever.

51. A redacted copy of the Indicative Term Sheet was shared with the advisors of the DIP Agent prior to the Pride Entities bringing the motion for approval thereof, with an unredacted copy to be provided to the DIP Agent upon confirmation of certain confidentiality arrangements.
52. The Monitor summarizes the following key terms of the Indicative Term Sheet, with further description contained in the Benson Affidavit:²

Indicative Term Sheet	
Non-Binding	
	With the exception of (i) the Diligence, Deposit, Lender Costs & Expenses section, (ii) the Exclusivity and Work Fee section, and (iii) the confidentiality section, the Indicative Term Sheet is non-binding and subject to execution of definitive documentation and Court approval of such definitive documentation.
Agency Services	
Overview	NCI will act as the Pride Entities' ³ exclusive agent in connection with the disposition (the " NCI Liquidation ") of those certain truck tractors, trailers, motor vehicles and other assets in Exhibit "A" to the Indicative Term Sheet, along with any accessories to the foregoing, as further detailed in the Indicative Term Sheet (the " Offered Assets ").
Term	12 months
Expense Reimbursement	The Pride Entities will reimburse the Agent for all reasonable and documented expenses incurred on behalf of the Company, subject to an agreed-upon budget, for transportation, insurance, refurbishment, repair, detailing and preparation for the sale of the Offered Assets.
Financing	
Overview	Gordon Brothers will provide financing to Pride Group Holdings Inc. (" PGHI ") and PGL ⁴ (if applicable) required to perform an organized liquidation of the Offered Assets, including, without limitation, certain of the Pride Entities' vehicle assets and parts inventory.

² Capitalized terms not otherwise defined in this paragraph shall have the meaning ascribed to such term in the Indicative Term Sheet.

³ PGL will not receive agency services.

⁴ PGHI and PGL are classified as the "Borrower" pursuant to the Indicative Term Sheet, and certain affiliates and subsidiaries of PGHI are classified as "Guarantors".

Loan	A senior secured revolving loan in support of the NCI Liquidation in the principal amount of up to \$50,000,000 (the “ GB Loan ”). The GB Loan will be provided in the form of a revolving loan made available to Pride Entities on a weekly basis subject to compliance with the Budget and applicable conditions precedent.
Term	The earlier of (i) 12 Months from the Closing, and (ii) the occurrence of an event of default under the loan provisions of the Indicative Term Sheet.
Collateral and Security	The Pride Entities will grant in favour of Gordon Brothers a first-priority charge against all of the Pride Entities’ rights, title and interest in and to the Priority Collateral, which will be subject to the Administration Charge and Intercompany Advances Charge (each, up to amounts to be set out in definitive documentation).
Repayment	The Obligations shall be repaid from the proceeds of the sale of the Priority Collateral (only after payment of any Agent Fees and Agent Expenses) as such Priority Collateral is sold pursuant to the NCI Liquidation.
Conditions Precedent	Conditions precedent include, among other things, completion of satisfactory due diligence and Court approval.
Diligence Deposit, Lender Costs & Expenses	\$100,000 (“ Initial Deposit ”) to be paid to Gordon Brothers upon Court approval of the Indicative Term Sheet and applied by Gordon Brothers towards Lender Expenses, including any costs incurred by NCI on Gordon Brothers’ behalf, regardless of if the Closing occurs. The Pride Entities further agree to provide additional deposits promptly as required by Gordon Brothers and NCI to reimburse Gordon Brothers for all Lender Expenses beyond the Initial Deposit. Any amounts of the Initial Deposit or subsequent deposits not applied toward payment of Lender Expenses will be returned to the Pride Entities. This section will become binding upon Court approval of the Indicative Term Sheet.
Exclusivity	A period of 30 days beginning on the date the Court approves the Indicative Term Sheet (the “ Exclusivity Period ”). This section will become binding upon Court approval of the Indicative Term Sheet.
Work Fee	\$400,000, payable in \$50,000 weekly increments with any remaining balance immediately due and payable on Closing. This section will become binding upon Court approval of the Indicative Term Sheet.
Equity Bid	NCI and Gordon Brothers to deliver an Equity Bid to the Pride Entities within 30 days of Closing and upon completion of the

	<p>physical inspections and all other diligence regarding all of the Pride Entities assets.</p> <p>Subject to the Company's approval of the terms thereof, the Equity Bid will serve as a stalking horse bid in these CCAA Proceedings. Excluded Assets may be removed from the assets being purchased pursuant to the Equity Bid.</p> <p>NCI will continue to liquidate any Offered Assets that are not included in the Equity Bid (including Excluded Assets) on behalf of the Pride Entities pursuant to the terms of the Indicative Term Sheet.</p>
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53. The Monitor understands that the Exclusivity Period was included in the Indicative Term Sheet in exchange for a significant reduction in the quantum of the Initial Deposit from \$400,000 to \$100,000. Although the Exclusivity Period extends for 30 days beginning on August 9, 2024 (if the Requested Relief is granted), the Indicative Term Sheet requires definitive documentation to be finalized by August 23, 2024. Given the substantial benefit received by the Pride Entities for agreeing to the Exclusivity Period in the Indicative Term Sheet and the limited bandwidth of the Pride Entities, the CRO and the Monitor to enter into multiple parallel negotiations with other prospective interim lenders, the Monitor supports the inclusion of the Exclusivity Period in the Indicative Term Sheet.
54. The Monitor further notes that, while the Indicative Term Sheet contains the Exclusivity Period, such Exclusivity Period does not preclude stakeholders from presenting to the Court an alternative funding arrangement that may be negotiated and pursued and finalized by the Pride Entities subsequent to the Exclusivity Period.
55. The Monitor understands that the Pride Entities will be seeking a sealing order of this Court sealing Confidential Exhibit "1" to the Benson Affidavit, being the unredacted copy of the Indicative Term Sheet (setting out the Agent's fees in connection with the transactions proposed thereby). In the event that the parties are not able to agree upon definitive documentation, the disclosure of this information would, in the Monitor's view, be prejudicial to further negotiations or efforts to secure alternative debtor-in-possession financing. Accordingly, at this juncture, the economic pricing terms redacted from the Indicative Term Sheet have not been included in the Thirteenth Report but such terms will

be disclosed if and when Court approval of the debtor-in-possession facility contemplated by the Indicative Term Sheet is sought.

56. The Monitor recommends that this Court approve the Indicative Term Sheet on the basis that if the transactions contemplated thereby are ultimately approved by the Court and close: (i) an Orderly Disposition will be conducted by experienced parties positioned to maximize the Pride Entities' assets for all of its stakeholders, which is further supported by NCI's recent experience as part of its Yellow Corporation "Co-Agent" mandate, (ii) the Indicative Term Sheet provides for a Commitment amount sufficient to finance an Orderly Disposition, in addition to ancillary matters remaining in these CCAA Proceedings, (iii) the pricing terms contained in the Confidential Schedule I of the Indicative Term Sheet (which will be disclosed if and when Court approval of definitive documentation is sought) result in fair and reasonable compensation being paid to facilitate both an Orderly Disposition and financing of the same, and (iv) as set out in greater detail below, the Pride Entities require urgent funding.

LIQUIDITY UPDATE

57. Due to the DIP Facility being effectively fully drawn and matured, and given the restrictions on the manner in which the Final Advance can be used by the Pride Entities pursuant to the Payment Procedure Agreement (described in greater detail at paragraph 40 above), the Pride Entities will have limited liquidity during the interim period of July 29, 2024 up to and including September 8, 2024 (the "**Forecast Period**") by which point the Pride Entities intend on seeking Court approval of a New Interim Financing Facility. This limited liquidity means that, without the Requested Relief being granted or further funding being received, the Pride Entities' will not be able to satisfy their working capital requirements and other needs over the coming weeks which jeopardizes the value of their assets and fleet (described in greater detail at paragraph 45 above).
58. The Monitor has prepared an interim cash flow forecast, in consultation with counsel to the Pride Entities and the CRO, for the Forecast Period (the "**Cash Flow Forecast**"), which illustrates that, without access to further funding, the Pride Entities will only be able to satisfy their payroll, operating expenses and professional fees during the Forecast Period if

the Requested Relief is granted to allow the Pride Entities to temporarily retain and utilize Deferred Payments. The Requested Relief will sufficiently address immediate liquidity concerns during the Forecast Period while the transactions contemplated by the Indicative Term Sheet (if approved) are pursued. A copy of the Cash Flow Forecast is attached hereto as **Appendix “C”**.

59. The Cash Flow Forecast assumes that the Requested Relief is granted and estimates (i) total receipts of approximately \$31.3 million during the Forecast Period with approximately \$13.7 million in Deferred Payments and (ii) total disbursements of approximately \$42.4 million during the Forecast Period, which, for illustrative purposes, includes the Payment Procedure Top-Up (approximately \$8.6 million) and July 31st Accruals (approximately \$18.6 million)⁵. If all of the forecast receipts are received and the Payment Procedure Top-Up and July 31st Accruals are made, the Pride Entities will, at the end of the Forecast Period (September 8, 2024) have a closing cash balance of approximately \$1.3 million, with no liquidity beyond then without additional funding. If the Payment Procedure Top-Up and the July 31st Accruals are not made, the Pride Entities will have a closing cash balance of approximately \$9.9 million at the end of the Forecast Period (being September 8, 2024).

AMENDMENT TO REVISED GOVERNANCE PROTOCOL

60. The Pride Entities cannot continue to incur post-filing obligations to pursue an Orderly Disposition or a solution for the PGL Entities with no prospect of the ability to pay such obligations. Without access to the Deferred Payments, the Pride Entities would not have liquidity beyond August 11, 2024, regardless of whether or not the Payment Procedure Top-Up is made.
61. Currently, pursuant to the Amended and Restated Protocols Order, Lease Payments and Soft Collections received by the Pride Entities are distributed to applicable Financiers. This is also authorized in the Second ARIO, despite the prohibition typically contained in

⁵ The Payment Procedure Top-Up and payment of the July 31st Accruals are included in the Cash Flow Forecast for illustrative purposes. Whether or not the Payment Procedure Top-Up and, in turn, the July 31st Accruals are made by the Pride Entities will depend on their liquidity which will be monitored closely during the Forecast Period.

CCAA proceedings on repaying pre-filing secured indebtedness. These payments (totaling approximately \$28.8 million, comprised of approximately \$15.2 million paid since the Filing Date and another \$13.6 million currently held in a Segregated Lease Payment Account and contemplated to be paid during the Forecast Period) were made possible as a result of the DIP Facility, which has been effectively fully drawn.

62. The Pride Entities require access to the Deferred Payments and are seeking to temporarily suspend the requirement that they disburse the Deferred Payments and are also seeking authorization to use the Deferred Payments for working capital until such time as additional funding under a New Interim Financing Facility becomes available.

CONCLUSIONS AND RECOMMENDATIONS

63. The Monitor views it as vital that the Pride Entities receive financial reprieve during the Forecast Period to bridge the Pride Entities to funding under a New Interim Financing Facility. The Deferred Payments are only being temporarily suspended until a New Interim Financing Facility is finalized, approved by the Court, and made available to the Pride Entities.
64. The Pride Entities have the means to access urgent interim funding to continue these CCAA Proceedings in an orderly fashion by suspending Deferred Payments. If the Pride Entities are able to utilize such Deferred Payments for working capital, the Pride Entities should be able to self-fund their operations until ultimately receiving financing under a New Interim Financing Facility.
65. The Monitor supports the Requested Relief on the basis that it will provide the Pride Entities with the necessary liquidity to sustain baseline operations throughout the Forecast Period and preserve the value of their assets and fleet, with the aim of commencing the Orderly Disposition as soon as funding has been received pursuant to a New Interim Financing Facility.
66. The Monitor understands that there will be several ongoing matters to be dealt with during the Forecast Period for the benefit of the Pride Entities and its stakeholders. The Monitor intends to engage in the following matters during the Forecast Period:

- (a) managing the marketing, negotiation and sale of the Pride Entities' North American real estate portfolio, including approximately 12 properties that are currently in various stages of letter of intent and asset purchase agreement (“**APA**”) negotiations, as well as closing the sale of two (2) properties in respect of which APAs have been executed and approved by the Court on August 7, 2024;
- (b) facilitating Turn-Overs to the applicable Securitization Counterparties and transitioning of servicing of Securitization Programs;
- (c) assisting the Pride Entities in pursuing sale transactions in respect of their assets;
- (d) assisting the CRO in pursuing the PGL Sale Process or as the Court may otherwise direct;
- (e) facilitating Vehicle sales to Pride Entity customers;
- (f) dealing with inter-creditor matters, including, but not limited to, conducting the Entitlement Claims Process, formulating a plan for addressing instances where Financiers have not established priority relative to the DIP Lenders, and facilitating the sharing of Financier record books among Financiers to resolve inter-creditor disputes;
- (g) responding to ongoing Financier inquiries with respect to the status and location of their collateral; and
- (h) consulting with the Pride Entities regarding employee matters.

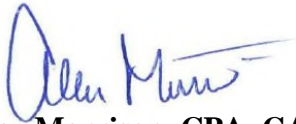
67. Unless the Requested Relief is granted, there will not be sufficient liquidity to fund operations of the Pride Entities, including payroll. Without employees, customers will be stranded, assets will be abandoned, sales would cease and lease servicing would stop, and the Monitor will not have access to necessary personnel of the Pride Entities to (i) negotiate with the vast number of Financiers, (ii) address numerous and frequent requests from Financiers for information regarding assets in which they claim an interest, or (iii) assist with the negotiation of a New Interim Financing Facility and return to Court prior to the conclusion of the Forecast Period with its recommendations in respect of same.

68. For the reasons set out in this Thirteenth Report, the Monitor recommends this Court grant the Requested Relief.

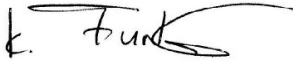
All of which is respectfully submitted this 8th day of August 2024.

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



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

Appendix “A”

Payment Procedure Agreement

Please see attached.

PAYMENT PROCEDURE AGREEMENT

THIS AGREEMENT is made the 30th day of July, 2024.

AMONG:

**TPINE LEASING CAPITAL CORPORATION, TPINE TRUCK RENTAL INC.,
TPINE LEASING CAPITAL L.P., PGL, PRIDE FLEET SOLUTIONS INC.,
PRIDE TRUCK SALES L.P., TPINE RENTAL USA, INC. and PRIDE TRUCK
SALES LTD., as DIP Availment Borrowers**
*(hereinafter called the “DIP Availment Borrowers”, and “DIP Availment Borrower”
means an applicable one or more of them, as the context requires or so admits)*

- and -

**ERNST & YOUNG INC., solely in its capacity as court-appointed Monitor and not
in its personal or corporate capacity**

- and -

ROYAL BANK OF CANADA, as Administrative Agent
*(in its capacity as “Administrative Agent” under the DIP Credit Agreement (defined
below), hereinafter called the “DIP Agent”)*

RECITALS:

- A. **WHEREAS** the DIP Availment Borrowers, the Borrowers, the Guarantors, the DIP Borrowers, the Administrative Agent, the Floor Plan Administrator and the Lenders are party to that certain fourth amended and restated credit agreement dated as of May 10, 2024, as amended pursuant to a first amending agreement dated as of July 23, 2024 (as further amended, restated, changed and in effect from time to time prior to the date hereof) pursuant to which the Lenders established certain credit facilities in favour of the Borrowers and the DIP Borrowers (the “**DIP Credit Agreement**”);
- B. **AND WHEREAS** Ernst & Young Inc. was appointed as Court-appointed monitor in the CCAA Proceedings (in such capacity and not in its personal or corporate capacity, the “**Monitor**”);
- C. **AND WHEREAS**, the DIP Availment Borrowers have delivered a Drawdown Notice dated July 24, 2024 requesting an Advance in the principal amount of CAD10,002,000 under the DIP Facility, to be funded on July 31, 2024 (the “**Requested Advance**”);
- D. **AND WHEREAS**, the DIP Availment Borrowers are unable to satisfy all conditions precedent to each Advance under Section 9.7 of the DIP Credit Agreement on or prior to funding of the Requested Advance;

- E. **AND WHEREAS**, the DIP Facility matures on July 31, 2024 and in exchange for the agreements and covenants of the DIP Availment Borrowers and the Monitor as set forth in this Agreement, the Lenders have agreed to fund the Requested Advance on the date hereof subject to the terms set forth in this Agreement.

WITNESSETH THAT in consideration of the mutual covenants herein contained and other valuable consideration now paid by each party hereto, the one to the other, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Interpretation.** Terms defined in the DIP Credit Agreement and not otherwise defined herein are used herein as respectively defined therein. The terms “this Agreement”, “hereof”, “herein”, “hereof” and words of like import means this payment procedure agreement, as changed from time to time in accordance with the terms hereof and for the time being in effect.
2. **Direction.** The DIP Availment Borrowers hereby irrevocably authorize and direct
 - (i) the DIP Agent to remit, upon receipt from the Lenders, the entire proceeds of the Requested Advance to the following segregated bank account of the Monitor (the “**Segregated Account**”):

Amount to be Transferred	Name of Person to be paid	Transfer Account No.	Name, Address, etc. of Transferee
CAD10,002,000	Ernst & Young Inc.	Royal Bank of Canada Royal Bank Plaza – Main Branch (Toronto) 200 Bay Street, Toronto, ON M5J 2J5 Clearing Code: 000300002 Account #: 116-879-8 Transit # 00002 Swift Code: ROYCCAT2	Ernst & Young Inc., Court appointed Monitor of Pride Group Holdings Inc. – DIP Proceeds 100 Adelaide Street West, Toronto, ON, M5H 0B3

and (ii) the Monitor to remit from the Segregated Account, for and on behalf of each applicable DIP Availment Borrower, each Approved Payment (as defined below) in accordance with this Agreement.

3. **Special Purpose.** Each of the DIP Availment Borrowers will apply the Requested Advance and any Accrued Obligations Shortfall for the sole purpose of making, as they become due,

each of the following disbursements which are contemplated to be paid pursuant to the DIP Budget under the heading “**Accrued Post Filing Lender Payment Obligations**” (each, an “**Approved Obligation**”), which Approved Obligations will, as at the date of the advance of the Requested Advance by the DIP Agent to the Monitor, have accrued but have not been finally quantified or become due:

- (a) Equipment Payments Deferred;
 - (b) Floor Plan Financiers Payments;
 - (c) Lease Collections Accrual; and
 - (d) HST Accrual.
4. **Disbursement.** At or before 11:00 a.m. (Toronto time) on August 1, 2024, the DIP Availment Borrowers shall notify each of the DIP Agent, Fasken Martineau DuMoulin LLP, Blake, Cassels & Graydon LLP, Alvarez & Marsal Canada ULC, Thornton Grout Finnigan LLP and the Monitor (the “**Parties Required to be Notified**”) of a reasonable estimate of the aggregate amount of Approved Obligations. To the extent that the estimate of the aggregate amount of Approved Obligations exceeds the Requested Advance (such excess referred to herein as the “**Accrued Obligations Shortfall**”), the Accrued Obligations Shortfall shall, prior to any portion of the Requested Advance being disbursed in accordance with this Agreement, be funded by the Obligor’s Available Cash Balance for the Syndicate Borrowers (as such term is used in the DIP Budget) into the Segregated Account.
5. **Payment Notices.** As each of the Approved Obligations are finally quantified and become due, the CRO will, on behalf of the applicable DIP Availment Borrower paying such Approved Obligation, provide Notice (as defined below) to each of the Parties Required to be Notified in the manner specified in Section 11 below of (a) the quantum of each Approved Obligation and (b) wire remittance details for the payment of such Approved Obligation.
6. **Monitor Confirmation.** The Monitor will confirm (by way of e-mail) to each of the other Parties Required to be Notified at the email addresses at the email addresses specified in Section 11 below whether such payment is, in its view, consistent with the DIP Budget, and if it does so, that payment shall, for the purposes of this Agreement, be regarded as an “Approved Payment” and be paid.
7. **Application of Payments.** Payments to be made pursuant to Section 6 shall be applied *first*, to pay HST that has become an Approved Payment and thereafter, to pay Equipment Payments Deferred, Floor Plan Financiers Payments and Lease Collections Accrual that have become Approved Payments in such order and to such extent as the Obligors, in consultation with the Monitor, determine to be equitable, fair, reasonable and consistent with the Court Orders.
8. **HST Accruals.** Solely with respect to any HST Accrual that becomes an Approved Payment, the Monitor will remit such amount to the applicable DIP Availment Borrower(s)

from the Segregated Account and promptly upon receipt, such DIP Availment Borrower(s) will remit the entirety of the amount received to the appropriate governmental authority and provide each of the Parties Required to be Notified at the email addresses specified in Section 4 above with confirmation of same.

9. **Monitor's Capacity.** Each of the DIP Availment Borrowers and the DIP Agent (for and on behalf of itself and each Lender) acknowledges and agrees that in taking any of the steps or actions contemplated above, the Monitor shall not incur any liability or obligation whatsoever under this Agreement (save and except for any gross negligence or wilful misconduct on its part) and will continue to enjoy all of the releases and protections available to it pursuant to the Court Orders granted in these CCAA Proceedings, the CCAA and at law.
10. **Representations and Warranties.** Each of the DIP Availment Borrowers represents and warrants to each other party hereto that:
 - (a) **Status.** It is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation and, if relevant under such laws, in good standing;
 - (b) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorise such execution, delivery and performance;
 - (c) **No Violation or Conflict.** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets, including, without limitation, the Court Orders, or any contractual restriction binding on or affecting it or any of its assets;
 - (d) **Consents.** All governmental and other consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and
 - (e) **Obligations Binding.** Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).
11. **Notices** Each notice or other communication to be made or given under or in connection with this Agreement (a "Notice") to each of the Parties Required to be Notified shall be in writing and given by e-mail addressed at their respective addresses set out below:

12. **To the DIP Agent**

email: brad.d.newton@rbc.com

To the DIP Availment Borrowers

email: r.benson@rcbenensonconsulting.com

Fasken Martineau DuMoulin LLP

email: sbrotman@fasken.com and dsingh@fasken.com

Blake, Cassels & Graydon LLP

email: pridegroup@blakes.com

Alvarez & Marsal Canada ULC

email: dmcintosh@alvarezandmarsal.com

The Monitor

email: Alex.F.Morrison@parthenon.ey.com and
Karen.K.Fung@parthenon.ey.com and Alexander.Slovic@parthenon.ey.com

Thornton Grout Finnigan LLP

email: lwilliams@tgf.ca and rnicholson@tgf.ca

13. **Termination of this Agreement**

Any breach or non-compliance with the terms of this Agreement shall result in a default hereunder (each a “**Default**”). The Monitor shall notify DIP Agent of any Default under this Agreement as soon as it becomes aware of such Default. The Lenders may, with leave of the Court, seek termination of this Agreement and the return of any undisbursed portion of the Requested Advance in the Segregated Account at that time to the bank account of the DIP Agent identified in Schedule “A” hereto.

14. **Miscellaneous**

- (a) *Grammatical Variations.* In this Agreement, unless the context otherwise requires, (i) words and expressions (including words and expressions (capitalized or not) defined, given extended meanings or incorporated by reference herein) in the singular include the plural and vice versa (the necessary changes being made to fit the context), (ii) words in one gender include all genders, (iii) grammatical variations of words and expressions (capitalized or not) which are defined, given extended meanings or incorporated by reference in this Agreement shall be construed in like manner, (iv) “or” is not necessarily to be construed in the alternative and (v) “change” is to be construed to include change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, terminate, release, discharge, cancel, suspend or waive.
- (b) *Reference to Agreements.* Unless the context otherwise requires, each reference in this Agreement to any agreement or document (including this Agreement and any other defined term that is an agreement or document) shall be construed so as to

include such agreement or document (including any attached schedules, appendices and exhibits) and each change made to it at or before the time in question; provided that (a) no change to this Agreement shall be effective unless it is made in compliance with Sections 14(d) and 15.

- (c) *Entire Agreement.* This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter. Each of the parties acknowledges that in entering into this Agreement it has not relied on any oral or written representation, warranty or other assurance (except as provided for or referred to in this Agreement) and waives all rights and remedies which might otherwise be available to it in respect thereof, except that nothing in this Agreement will limit or exclude any liability of a party for fraud.
 - (d) *Amendments.* An amendment, modification or waiver in respect of this Agreement will only be effective when it has been executed by the parties hereto and each party hereto has received counterparts hereof that, when taken together, bear the signatures of each of the other parties thereto.
 - (e) *Survival of Obligations.* Without limiting the generality of Section 9, the termination of this Agreement shall be without prejudice to the rights and obligations of each party hereto (other than the Monitor) which shall have accrued hereunder or have arisen in connection herewith at the time of termination, all of which shall survive such termination for a limitations period of not less than two (2) years. This Agreement shall survive maturity of the DIP Facility under the DIP Credit Agreement.
 - (f) *Loan Document.* This Agreement shall constitute a Loan Document within the meaning of the DIP Credit Agreement.
 - (g) *Remedies Cumulative.* Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.
15. **No Waiver of Rights.** A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.
16. **Headings.** The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.
17. **Governing Law**

This Agreement shall be governed by, and interpreted in accordance with, the laws in force in the Province of Ontario, including the federal laws of Canada applicable therein, but excluding choice of law rules.

18. **Counterparts**

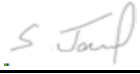
This Agreement may be executed by hand, electronic signature or electronic document (such as DocuSign) in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Transmission of a signed copy of this Agreement by each party hereto (other than the DIP Agent) to the DIP Agent by e-mail in pdf or electronic document format shall be as effective as delivery of an original manually executed counterpart hereof. This Agreement shall become effective when it has been executed by the DIP Agent, the DIP Agent has received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto and the DIP Agent notifies each other party that that has occurred.

[Signature Pages Follow]


IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

DIP Availment Borrowers:


TPINE TRUCK RENTAL INC.

By: 
Name: Sulakhan Johal
Title: President


TPINE LEASING CAPITAL CORPORATION

By: 
Name: Sulakhan Johal
Title: President


PRIDE TRUCK SALES LTD.

By: 
Name: Sulakhan Johal
Title: President


TPINE LEASING CAPITAL L.P. by its general partner COASTLINE HOLDINGS, CORP.

By: 
Name: Sulakhan Johal
Title: President


PRIDE TRUCK SALES L.P., by its general partner COASTLINE HOLDINGS, CORP.

By: 
Name: Sulakhan Johal
Title: President


TPINE RENTAL USA, INC.

By: 
Name: Sulakhan Johal
Title: President

PRIDE GROUP LOGISTICS LTD.

By: 
Name: Sulakhan Johal
Title: President

PRIDE FLEET SOLUTIONS INC.

By: 
Name: Sulakhan Johal
Title: President

DIP Agent:

ROYAL BANK OF CANADA, as DIP Agent

By: _____

Name: Annie Lee

Title: Associate Director, Agency Services

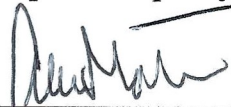
By: _____

Name:

Title:

The Monitor acknowledges and approves this Agreement and agrees to its obligations as set out in this Agreement.

Ernst & Young Inc., solely in its capacity as Court-appointed monitor and not in its personal or corporate capacity.

By: 
Name: Alex Munn
Title: Senior Vice President

SCHEDULE "A"

WIRE TRANSFER INSTRUCTIONS

CDN:

BENEFICIARY BANK NAME: ROYAL BANK OF CANADA
ADDRESS: TORONTO ONTARIO CANADA
SWIFT CODE: ROYCCAT2
BENEFICIARY NAME: ROYAL BANK OF CANADA
ADDRESS: 200 BAY STREET, TORONTO ON CANADA M5J 2J5
TRANSIT: 00002
BANK: 003
BENEFICIARY ACCOUNT:
NOTIFY AND PAY

NOTE: THE FOLLOWING SHOULD GO IN TEXT FIELD FOR INFORMATION PURPOSES

Details of Payment/Information for the beneficiary:

FFC G.L. 991-604-0 transit 07272 PLEASE CALL
DAWN OUTHWAITE AT 416 974-8118 OR KHADIJA ALRAIS AT 416 974-7333

USD (FROM CANADA):

BENEFICIARY BANK NAME: ROYAL BANK OF CANADA
ADDRESS: TORONTO ONTARIO CANADA
SWIFT CODE: ROYCCAT2
BENEFICIARY NAME: ROYAL BANK OF CANADA
ADDRESS: 200 BAY STREET, TORONTO ON CANADA M5J 2J5
TRANSIT: 00002
BANK: 003
BENEFICIARY ACCOUNT:
NOTIFY AND PAY

NOTE: THE FOLLOWING SHOULD GO IN TEXT FIELD FOR INFORMATION PURPOSES

Details of Payment/Information for the beneficiary:

FFC G.L. 900-352-6 transit 07272 PLEASE CALL
JOHN FERNANDES 416-974-4441 OR KHADIJA ALRAIS 416-974-7333

USD:

Clearing Bank/ pay : JP Morgan Chase Bank, New York

SWIFT CODE: CHASUS33

ABA Number : 021000021

BENEFICIARY BANK NAME: ROYAL BANK OF CANADA

ADDRESS: TORONTO ONTARIO CANADA

SWIFT CODE: ROYCCAT2

BENEFICIARY NAME: ROYAL BANK OF CANADA

ADDRESS: 200 BAY STREET

TORONTO ON CANADA M5J2J5

TRANSIT: 00002

BANK: 003

BENEFICIARY ACCOUNT:

NOTIFY AND PAY

**NOTE: THE FOLLOWING SHOULD GO IN TEXT FIELD FOR
INFORMATION PURPOSES**

Details of Payment/Information for the beneficiary:

FFC G.L. 900-352-6 transit 07272 PLEASE CALL

DAWN OUTHWAITE AT 416 974-8118 OR KHADIJA ALRAIS AT 416 974-7333

Appendix “B”

August 1 Letter

Please see attached.



Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
199 Bay Street
Suite 2800, Commerce Court West
Toronto ON M5L 1A9 Canada
Tel: 416-863-2400 Fax: 416-863-2653

Pamela Huff

Partner

Dir: 416-863-2958

pamela.huff@blakes.com

August 1, 2024

VIA E-MAIL

Reference: 8431/1367

Pride Group Holdings et al. Service List

Re: Notice of DIP Expiry

To the Service List:

We are counsel to Ernst & Young Inc., in its capacity as the Court-appointed Monitor of Pride Group Holdings Ltd., *et al.* As you are aware, the Court most recently extended the stay of proceedings until September 30th. At the hearing extending the stay of proceedings, the Court was advised that the DIP Facility would expire on July 31, 2024, unless the Applicants satisfied the conditions for an automatic extension. Those conditions were not met and the DIP Facility matured on July 31st. The maximum amount available under the DIP Facility, being \$36.3 million, was fully drawn prior to the maturity.

The Applicants, the CRO and the Monitor are working to develop the path forward in light of the maturity of the DIP Facility. The Applicants and CRO are in advanced discussions with another potential DIP lender, and the Monitor is assisting the Applicants and CRO to advance an orderly monetization plan for presentation to the Court and stakeholders. The Applicants will continue to seek court approval for transactions, including the potential going-concern sale of PGL, as they are negotiated and finalized, as has been the current practice.

The Monitor expects to file a Report in the coming days outlining further details, but wanted the stakeholders to be advised as soon as possible of this material development in the CCAA proceedings.

The Applicants intend to seek the approval of temporary measures to provide short-term liquidity to enable them to continue to operate until they are able to seek approval from the Court in the coming weeks as to the path-forward and an appropriate plan for the orderly monetization and transition of the Pride estate that is fair and equitable to all stakeholders, including over 900 employees and contractors, as well as customers, mortgage holders and secured and unsecured creditors

Yours truly,

Pamela L. J. Huff

Appendix “C”

Cash Flow Forecast

Please see attached.

		W1 Forecast	W2 Forecast	W3 Forecast	W4 Forecast	W5 Forecast	W6 Forecast	29-Jul-24 08-Sep-24
Week ending		04-Aug	11-Aug	18-Aug	25-Aug	01-Sep	08-Sep	TOTAL
Cash Sales								
	Notes							
Can Sales	1	2,443	2,443	2,443	2,443	2,469	2,469	14,710
US Sales	1	1,609	1,609	1,609	1,609	1,627	1,627	9,690
Downpayments and Deposits	2	-	-	-	-	-	-	-
Sales Payments to Financier	3	(3,468)	(3,506)	(3,544)	(3,582)	(3,660)	(3,698)	(21,458)
Cost Recovery	4	-	-	-	-	-	-	-
Realization Commission	4	370	370	370	370	328	328	2,136
Net Cash from Sales		954	916	878	840	764	726	5,078
Receipts								
Lease Collections	5	5,308	498	3,991	498	5,308	498	16,101
Lease Buyout	6	-	-	-	-	-	-	-
Lease Buyout - Payments to Funder	6	-	-	-	-	-	-	-
Logistics Receipts	7	2,200	2,200	2,200	2,200	-	-	8,800
Net Fuel Sales	8	74	74	74	74	52	52	400
Securitization Portfolio Fees	9	-	-	-	-	-	-	-
Rental Income	10	305	27	108	181	259	73	953
Total receipts		7,887	2,799	6,373	2,953	5,619	623	26,254
Cash Sales & Receipts		8,841	3,715	7,251	3,793	6,383	1,349	31,332
Operating disbursements								
Payroll and Benefits	11	(1,802)	(1,687)	(1,071)	(1,508)	(1,618)	(1,232)	(8,918)
Income taxes payable	12	-	-	-	-	-	-	-
Sales taxes payable	13	-	(100)	-	-	(100)	-	(200)
Utilities	14	(35)	(35)	(35)	(35)	(28)	(28)	(196)
Operating Fuel	15	(487)	(487)	(487)	(487)	(487)	(487)	(2,922)
Repairs and maintenance	16	(378)	(378)	(1,102)	(378)	(50)	(50)	(2,336)
Brokerage costs	17	(200)	(200)	(200)	(200)	(200)	(200)	(1,200)
Legal Costs	18	(50)	(50)	(50)	(50)	(24)	(24)	(248)
Recovery Costs	19	(1)	(1)	(1)	(1)	(1)	(1)	(6)
Occupancy Costs	20	(435)	(10)	(14)	-	(299)	(10)	(768)
Other Costs	21	(796)	(2,946)	(381)	(693)	(223)	(43)	(5,082)
Logistics Equipment Financing	22	-	-	-	-	-	-	-
Intercompany Borrowings	23	(82)	(82)	(82)	(82)	(72)	(72)	(472)
Total operating disbursements		(4,266)	(5,976)	(3,423)	(3,434)	(3,102)	(2,147)	(22,348)
Professional Fees - Restructuring	24	(3,000)	(2,805)	(1,014)	(1,014)	(1,014)	(1,014)	(9,861)
Net operating cash flow		1,575	(5,066)	2,814	(655)	2,267	(1,812)	(877)
Non operating disbursements								
Lease Repayments	25	-	-	-	-	-	-	-
Floor Plan Repayments	26	-	-	-	-	-	-	-
Floor Plan Interest	27	-	-	-	-	-	-	-
Term Loan Repayments (Mortgages)	28	-	-	-	-	-	-	-
OEM Lease Repayments	29	-	-	-	-	-	-	-
OEM Interest	30	-	-	-	-	-	-	-
Lease Repayments - Other	31	-	-	-	-	-	-	-
Total non-operating disbursements		-	-	-	-	-	-	-
Available Cash Balance for the Syndicate Borrowing Group								
Opening Bank Balance	32	13,129	13,516	8,100	2,055	1,150	3,217	13,129
Bill and Collect		(788)	-	-	-	-	-	(788)
Net operating cash/(disbursements)		1,575	(5,066)	2,814	(655)	2,267	(1,812)	(877)
Non-operating cash/(disbursements)		-	-	-	-	-	-	-
DIP Draws/(repayments)/Additional Financing		-	-	-	-	-	-	-
Contributions to Monitor's Segregated Account (Pursuant to the Payment Procedure Agreement)		-	-	(8,559)	-	-	-	(8,559)
Segregated Lease Payments		-	-	-	-	-	-	-
Payments to Trust Account		(400)	(350)	(300)	(250)	(200)	(150)	(1,650)
Closing Bank Balance		13,516	8,100	2,055	1,150	3,217	1,255	1,255
Monitor's Trust Account								
Opening Pooling Balance	33	6,220	6,626	6,983	7,290	7,547	7,754	6,220
Floorplan		303	265	227	190	152	114	1,251
Leaseline		92	81	69	58	46	35	381
OEM Financing		4	4	3	3	2	2	18
Interest		7	7	8	6	7	7	42
Closing Pool Balance		6,626	6,983	7,290	7,547	7,754	7,912	7,912
Segregated Lease Payment Account								
Opening Lease Payment Account	34	13,728	13,728	13,728	9,152	4,576	0	13,728
Lease Collections (Bank)		-	-	-	-	-	-	-
Lease Repayments		-	-	(4,576)	(4,576)	(4,576)	-	(13,728)
Closing Lease Payment Account		13,728	13,728	9,152	4,576	0	0	0
Monitor's Segregated Account (Pursuant to the Payment Procedure Agreement)								
Opening Monitor's Segregated Account Balance (funded through Final Advance)	35	10,002	10,002	10,002	-	-	-	10,002
Contributions to Monitor's Segregated Account (Pursuant to the Payment Procedure Agreement)		-	-	8,559	-	-	-	8,559
July 31st Accrued Equipment Payments		-	-	(5,214)	-	-	-	(5,214)
July 31st Floor Plan Financiers Payments		-	-	(3,811)	-	-	-	(3,811)
July 31st Lease Collections Accrual Payments		-	-	(4,650)	-	-	-	(4,650)
July 31st HST Accrual Payments		-	-	(4,886)	-	-	-	(4,886)
Closing Monitor's Segregated Account Balance		10,002	10,002	-	-	-	-	-
Deferred Payments	36	4,512	4,935	8,327	8,751	13,263	13,686	13,686

**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
July 29, 2024, to September 8, 2024 (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.

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 outlines the change in the Pride Entities’ cash flow position until a new interim financing is approved by the Court. It is based on the assumption that the Pride Entities receive the Requested Relief to stop making and begin utilizing Deferred Payments.

Assumptions:

1. Cash Sales

This category includes estimates of revenues generated by the Pride Entities (through PTS, TTR, PTS LP and TTR USA) with respect to cash sales of vehicles. This would also include customers who have sought out third-party lease financing. The estimate of cash sales is based on the historical 4-week trailing average of both the sales and the deposit received, net of funds retained for Cost Recovery and Realization Commission in Note 4.

2. Downpayment/Deposit

This category represents the downpayments/deposits that customers pay for cash sales. However, no amounts are forecast as there is currently no predictability of these amounts. It is assumed that the sale proceeds are inclusive of the deposit.

3. Sale Payments to Financier

Represents the repayment to the floor plans/lease lines from net proceeds from the sale of vehicles. It is assumed that if the sale price is below the outstanding loan value, then the financier is only repaid with the funds received from the sale, net of Realization Commission and Cost Recovery (See Note 4). This does not include payments to the floor plans for vehicles that are identified as Multiple Collateral Vehicles. The net proceeds received from the sale of Multiple Collateral Vehicles will be placed into the Monitor’s Trust Account (See Note 33).

4. Realization Commission and Cost Recovery on Sales

The Realization Commission represents the structure of the Pride Entities to recover commission from cash sales to cover a portion of the variable and overhead costs related to selling vehicles. The commission calculation reflects a weighted average of the rates anticipated to be agreed to by various lenders weighted against the historical sales data, which includes the number of trucks sold for each lender. The Cost Recovery on Sales relates to costs associated with specific vehicle identification numbers (“VINs”) and the work required to either repossess, repair, or store, to bring it to a saleable state. It is assumed that these costs (legal and transportation recovery costs, and repairs and maintenance) are approximately 80% of the costs incurred by PTS and PTS USA in these categories. It is also assumed that 10% of these costs will be retained to recover other overhead costs. Note that this would be charged based on actual cost related to a specific VIN and therefore new units would typically have little to no cost recovery on sales, whereas used vehicles would be higher.

5. Lease Collections

This category includes the collection of customers payments under their lease obligations and short-term rental obligations. This is based on known pre-authorized payments for the current month, and adjusted based on historical performance, including assumptions for estimated defaults and recovery of such defaults (“**Soft Collections**”).

6. Lease Buyout

The buyouts represent payments that customers have made to end a lease agreement in order to take full ownership of the vehicle. This also includes payments from insurance claims with respect to any losses because of lease buyouts. When a lease is bought out, the Pride Entities will pay the relevant lease funder. As these amounts are unpredictable, they are not being forecast.

7. Logistics Receipts

Represents the collection from customers for the logistics business, which is through PGL, based on known contracts with customers. The projection is based on Management’s assumptions. The forecast assumes there is a sale transaction of PGL that closes in Week 4.

8. Net Fuel Sales

Represents receipts from customers that have purchased fuel cards through PFS, net of the cost of sale. Customers purchase fuel cards to benefit from a volume discount that PFS has obtained. The net fuel sales are based on a 4-week trailing actual run rate.

9. Securitization Portfolio Fee

Represents the proposed structure for recovery of costs associated with managing the lease portfolios of the securitization entities with respect to Soft Collections. For the purposes of the forecast, it has been assumed that Turn-Over to the applicable Securitization Parties commences

in August. Therefore, the nominal performance fees have not been forecast. Since Soft Collections for securitization lenders are not collected in Pride Entities accounts (as the Pride Entities acts as the servicer), these amounts are not included in the Lease Collections in Note 5 but run through the bill and collect transactions that are a reconciling item in the bank accounts.

10. Rental Income

Represents rental income collected from tenants of real estate owned by the Syndicate Borrower. This is based on actual tenant contracts of each property. This will be updated as new tenants are onboarded or tenant agreements are terminated. Rental income for the other Pride Entities is assumed to be collected within their own bank accounts.

11. Payroll and Benefits

Represents wages and salaries, benefits, WSIB and National Auto League insurance (WSIB alternative coverage for the trucking industry). This also includes payment to subcontractors, i.e. truck drivers under contract, mechanics, and office contractors.

It is assumed that the Pride Entities will continue to pay outstanding salaries and vacation pay, and independent contractors (including those contractors and subcontractors that provide office support) in the ordinary course. It is assumed that no payments are made for severance or termination pay because of any headcount reduction.

12. Income Taxes Payable

It is assumed that outstanding income tax has been stayed and that the Pride Entities will not be in a taxes payable position during the Forecast Period.

13. Sales Taxes Payable

The amounts included in the Forecast Period are calculated based on amounts that would be accrued and due post-filing, and all accrued and payable amounts within the CCAA Proceeding. The timing has been updated to reflect the filing and expected payment dates from Management.

14. Utilities

These are the estimated utility costs for the terminal/dealership operations. PTS pays for PGL's utilities currently.

15. Operating Fuel Costs

Represents the cost of fuel that is used by PGL estimated based on its 4-week trailing averages. It is assumed that the payments will be on regular credit terms. The forecast assumes there is a sale transaction of PGL that closes in Week 4. Remaining pre-closing operating expenses will be paid in Weeks 5 and 6.

16. Repairs and Maintenance

Represents the repairs and maintenance costs (typically incurred by the operating entities). The costs to complete the Di Miller Bakersfield construction project are also included in Week 3 of the Cash Flow Forecast.

17. Brokerage Fees

Represents the operating cost for PGL for brokerage fees. This is based on Management's estimate and historical run rate. The forecast assumes there is a sale transaction of PGL that closes in Week 4. Remaining pre-closing operating expenses will be paid in Weeks 5 and 6.

18. Legal Costs

These relate to fees paid to legal teams and other advisors for operations, such as enforcement and recovery of delinquent customer accounts. It is assumed that some of these will continue as they relate to collections and recoveries from customers.

19. Recovery Costs

These relate to fees paid to repossess vehicles from delinquent leasing customers. As Turn-Overs to the applicable Securitization Parties begin in August, these fees will be minimal.

20. Occupancy Costs

Represents rent for leased premises used by Syndicate Borrowers and 2076401 Ontario Inc. ("207"). The lease for 207 is then sublet to PTS. It is assumed that these will be paid in the normal course as they are typically paid at the first of the month, or first of the period for which they cover.

21. Other Costs

Represents the operating cost for the Pride Entities which include parking, software, tolls, insurance, and other general administrative costs. This also includes the Initial Deposit and Work Fee pursuant to the Indicative Term Sheet, as proposed for approval by the Court.

22. Logistics Equipment Financing

This represents payments to financiers of equipment used for PGL operations. It is assumed in the forecast that these payments are paused until the sale of PGL. The forecast assumes there is a sale transaction of PGL that closes in Week 4.

23. 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.

24. Professional Fees - Restructuring

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

Non-Operating Disbursements

25. Lease Repayments

This represents the payments for wholesale leases to the various financiers. These lease payments only relate to income generating leases and therefore excludes any payments associated with delinquent customers, vehicles returned or repossessed, vehicles in inventory, duplicate liabilities, etc. These payments are subject to the Revised Governance Protocol. The Cash Flow Forecast assumes that the Pride Entities receive the Requested Relief and temporarily do not make these lease payments during the Forecast Period.

26. Floor Plan Repayments

This represents the curtailment payments under various floor plans (Mitsubishi, RBC, BMO). The forecast projects curtailments are stayed.

27. Floor Plan Interest

Represents the interest payment on the floor plans. The forecast reflects that such interest payments are stayed.

28. Term Loan Payments

Represents term loans that are secured by real estate property that are held by the Pride Entities. These payments are stayed.

29. OEM Lease Repayments

This represents payments for wholesale leases to the various OEM financiers. These lease payments only relate to income generating leases and therefore excludes any payments associated with delinquent customers, vehicles returned or repossessed, vehicles in inventory, duplicate liabilities, etc. These payments will be subject to the Revised Governance Protocol. The Cash Flow Forecast assumes that the Pride Entities receive the Requested Relief and temporarily do not make these OEM lease payments during the Forecast Period.

30. OEM Interest

Represents the interest payment on the vehicles that are in inventory for OEM Financiers. Interest has been stayed.

31. Lease Repayments - Other

This represents payments to non-lease lines financiers at a two-week lag for which the vehicle has been leased out to a customer. These lease payments only relate to income generating leases and therefore excludes any payments associated with delinquent customers, duplicate liabilities, etc., pursuant to the Revised Governance Protocol. The Cash Flow Forecast assumes that the Pride Entities receive relief from the Court to temporarily not make other lease payments during the Forecast Period.

32. Available Cash Balance for the Syndicate Borrowers

This represents the bank balances of the Syndicate Borrowers, net of the bank account balances held with respect to lease collections for securitization lenders. In Week 3, there is an illustrated outflow of \$8,559, being the Payment Procedure Top-Up to the Monitor's Segregated Account.

33. Monitor's Trust Account

This is the Trust account set up by the Monitor to hold amounts including Cash Proceeds and Lease Collections that relate to Multiple Collateral Vehicles (Leases) until the priority to such vehicles are determined pursuant to the Entitlement Claims Process. In addition, this includes the amounts held in a trust for soft collections of securitization lenders as required under the Revised Governance Protocol.

34. Segregated Lease Payment Account

These lease collections are set aside in segregated accounts pursuant to the DIP Credit Agreement. They will be paid to the appropriate lenders pursuant to the Revised Governance Protocol.

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

The Payment Procedure Agreement requires the Monitor to hold the Final Advance of \$10,002 in a Monitor's Segregated Account and that the Pride Entities use such funds in accordance with restrictions requiring that (i) prior to having access to such funds, the Payment Procedure Top-Up (being \$8,559) be made, and (ii) the funds in the Monitor's Segregated Account can only be used to pay the July 31st Accruals, being: (a) equipment payments (\$5,214), (b) floor plan financier payments (\$3,811), (c) lease collection payments (\$4,650), and (d) HST payments (\$4,885). While these payments are shown for illustrative purposes, whether or not the Payment Procedure Top-Up and, in turn, the July 31st Accruals are made will depend on the liquidity of the Pride Entities which will be monitored closely.

36. Deferred Payments

This is the Deferred Payments, net of margin and HST assuming that the Pride Entities receive the Requested Relief from the Court to suspend Deferred Payments during the Forecast Period.

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

- PRIDE GLOBAL INSURANCE COMPANY LTD.
- PERGOLA HOLDINGS, CORP.

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

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

**THIRTEENTH REPORT OF THE MONITOR
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