

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF PRIDE GROUP HOLDINGS INC. AND
THOSE APPLICANTS LISTED ON SCHEDULE "A" HERETO**

**THIRD REPORT OF THE MANAGER
ALVAREZ & MARSAL CANADA INC.**

January 6, 2026

TABLE OF CONTENTS

1.0	INTRODUCTION.....	1
2.0	TERMS OF REFERENCE AND DISCLAIMER	3
3.0	PURPOSE OF THIS THIRD REPORT	4
4.0	PROPOSED COLLECTION PLAN.....	5
5.0	OTHER MANAGER UPDATES	19
6.0	RECEIPTS AND DISBURSEMENTS.....	22
7.0	CONCLUSIONS AND RECOMMENDATIONS.....	24

SCHEDULES

Schedule “A”– CCAA Applicants; Limited Partnerships and Additional Stay Parties

APPENDICES

Appendix “A” – Manager’s First Report

Appendix “B” – Manager’s Second Report

Appendix “C” – Sample Lease Agreement

Appendix “D” – Sample Guarantee Agreement

Appendix “E”– Sample Notice of Assignment

Appendix “F” – Sample IFT Demand Letter

Appendix “G” – Sample Manager Demand Letter

1.0 INTRODUCTION

- 1.1 On March 27, 2024, Pride Group Holdings Inc. and those entities listed as “Applicants” in Schedule “A” hereto (collectively, the “**Applicants**” and with the limited partnerships, the “**Pride Entities**” or “**Pride**”) were granted protection under the *Companies’ Creditors Arrangement Act* (the “**CCAA Proceedings**”) pursuant to an initial order (as subsequently amended, the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) which, among other things, appointed Ernst & Young Inc. as Monitor (the “**Monitor**”).
- 1.2 To address competing secured claims with respect to certain vehicles owned, leased or operated by the Pride Entities, on June 14, 2024, the Court granted an Order (the “**Entitlement Claims Process Order**”) establishing procedures for the determination of the priority of competing claims against Multiple Collateral Vehicles as identified by the Monitor’s Database (each as defined in the Entitlement Claims Process Order), and granting other corollary relief.
- 1.3 On October 10, 2024, the Court granted an Order (the “**Recourse Lender Turn-Over Order**”) which provided for, among other things, a process to turn-over Remaining Assets (including Inventory and Leasebooks) to the applicable Recourse Lender and for such Remaining Assets to be sold free and clear from any and all Claims or Encumbrances (each as defined in the Recourse Lender Turn-Over Order).
- 1.4 On October 17, 2024, the Court granted an Order (as amended from time to time, the “**Collateral Management Order**”) appointing Alvarez & Marsal Canada Inc. as Court-appointed collateral manager (the “**Manager**”) over the Management Property (as defined

in the Collateral Management Order) and authorizing the Manager to take steps to among other things, collect and dispose of the Management Property in accordance with the Recourse Lender Turn-Over Order on behalf of the Royal Bank of Canada in its capacity as administrative agent for and on behalf of itself and other lenders party to the Fourth Amended and Restated Credit Agreement dated May 10, 2024 (together, in such capacity, the “**Syndicate Lenders**”).

- 1.5 On November 1, 2024, on the motion of Royal Bank of Canada, in its capacity as Bilateral Lender (“**RBC Bilat**” and together with the Syndicate Lenders, the “**Lenders**”), the Court granted an Order amending the Collateral Management Order (the “**Amended Syndicate Collateral Management Order**”) expanding the definition of Management Property to authorize the Manager to provide assistance to RBC Bilat.
- 1.6 On February 4, 2025, on the motion of the Manager, the Court granted an Order amending the Amended Syndicate Collateral Management Order (the “**Second Amended Syndicate Collateral Management Order**”) expanding the definition of Management Property to include such assets or interests (regardless of whether such asset or interest is titled to a Pride Entity) as may be turned-over to the Lenders (or to the Manager as designee) from time to time pursuant to orders of the Court.
- 1.7 On November 20, 2025, on the motion of the Manager, the Court granted an Order (the “**I-Way Turn-Over Order**”), among other things, directing 2834021 Ontario Inc., I-Way Transport Inc., I-Way Logistics Inc., Wings Freightway Inc., and Balwant Singh Samra (collectively, the “**I-Way Parties**”) to turn-over possession of the I-Way Leased Vehicles

and the New Tires (both as defined in the I-Way Turn-Over Order) to the Manager forthwith and to fully cooperate with the Manager to facilitate an orderly transfer.

1.8 The Manager previously served and filed with this Court the First Report of the Manager dated January 30, 2025 (the “**First Report**”), which provided, among other things, an overview of the turnover process and the Manager’s views on expanding the definition of Management Property to include all vehicles turned-over to the Manager. The Manager also served and filed the Second Report of the Manager dated November 10, 2025 (the “**Second Report**” and, together with the First Report, the “**Reports**”), which outlined, among other matters, the challenges associated with realizing on Management Property, including background relating to the request for relief in respect of the I-Way Parties. Copies of the First Report and the Second Report, without appendices are attached herein as **Appendix “A”** and **Appendix “B”**, respectively.

1.9 Further information about the CCAA Proceedings, its background and copies of materials, including the Reports filed with the Court, is available on the Monitor’s website at: www.ey.com/ca/pridegroup. In addition, the Reports and specific information and/or materials relating to matters specifically pertaining to the Manager, including the proposed Collection Plan (as defined below), will be available on the Manager’s website at: <https://www.alvarezandmarsal.com/tpine>.

2.0 TERMS OF REFERENCE AND DISCLAIMER

2.1 In preparing this report (the “**Third Report**”), the Manager has relied upon unaudited financial information, books and records and other documents provided by and discussions with management of the Pride and the Monitor, as well as on information and reports

provided by consultants, agents, and other third-party service providers engaged by the Manager (the “**Information**”).

2.2 The Manager has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Manager has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CASs**”) pursuant to the Chartered Professional Accountants Canada Handbook, and accordingly, the Manager expresses no opinion or other form of assurance contemplated under CASs in respect of the Information.

2.3 This Third Report has been prepared for the purposes described below and to assist the Court in making a determination of whether to approve the relief sought, as further described below. Accordingly, the reader is cautioned that this Third Report may not be appropriate for any other purpose. The Manager will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Third Report different than the provisions of this paragraph.

2.4 Unless otherwise stated, all monetary amounts contained in this Third Report are expressed in Canadian dollars.

3.0 PURPOSE OF THIS THIRD REPORT

3.1 The purpose of this Third Report is to provide the Court with:

- (i) an overview of the relief sought by the Manager pursuant to the proposed Order (the “**Collection Plan Order**”), which establishes a protocol for

resolving disputes with lessees regarding amounts payable under leases transitioned to the Manager and a process for obtaining default judgment against non-paying lessees where no dispute has been raised by the lessee (the “**Collection Plan**”);

- (ii) an update on the Manager’s activities since the date of the Second Report;
- (iii) an update on the receipts and disbursements of the Manager for the period of October 23, 2025 to December 31, 2025; and
- (iv) the Manager’s conclusions and recommendations in connection with the foregoing, where applicable.

4.0 PROPOSED COLLECTION PLAN

Leasebook Portfolio Background

- 4.1 Pursuant to the Recourse Lender Turn-Over Order and the Second Amended Syndicate Collateral Management Order, TPine Leasing Capital Corporation (“**TLCC**”, the Canadian leasing entity), TPine Leasing Capital L.P (“**TLCL**”, the U.S. leasing entity) and Pride Group Logistics Ltd. (“**PGL**” and together with TLCC and TLCL, “**TPine**”) turned over the Leasebooks forming part of the Management Property to the Manager. Although the relevant leases remain in TPine’s name, the Manager administers the leases and related assets through a third-party service provider, Integrated Financial Technologies Inc. (“**IFT**”). The Court-ordered mandate of the Manager includes the administration of leases for 1,898 vehicles, some of which have been bought out since the Manager’s appointment.

- 4.2 The lease agreements at issue are materially consistent, save for variation in certain payment terms. A sample of a lease agreement is attached hereto as **Appendix “C”**. The Manager is aware of a limited number of leases with different terms, including one lease with PGL. In addition, many of the leases are guaranteed or indemnified. A sample of a guarantee is attached hereto as **Appendix “D”**.
- 4.3 Notwithstanding the efforts of IFT and the Manager, a significant portion of lessees have not paid the amounts due under their lease and have not cooperated in returning the leased vehicles. In almost all such cases, lessees have refused to make any payments while continuing to retain possession and have the benefit of the leased vehicles.

Collection Efforts

- 4.4 Upon turnover of the Leasebooks, IFT and TPine issued joint notices of assignment to the lessees (the **“Notice of Assignment”**), advising them that: (i) the lease had been turned over to the Manager; (ii) lease servicing had transitioned to IFT; and (iii) all future payments were to be directed to IFT rather than TPine. A sample Notice of Assignment is attached hereto as **Appendix “E”**.
- 4.5 The majority of lessees signed pre-authorized payment agreements with TPine or its agents, allowing monthly lease payments to be debited directly from their bank accounts. If a payment is rejected by the bank, IFT attempts to contact the lessee to inquire about the non-payment, including by phone and email where possible. If IFT is unable to contact the lessee, they attempt to obtain more current contact information by alternative means, including searching public databases.

- 4.6 If the lessee does not respond to contact attempts or a payment resolution cannot be reached, IFT issues payment demand letters (the “**IFT Demand Letter**”). After approximately 60 days of delinquency, the account is assigned to a bailiff to facilitate repossession of vehicles as soon as practicable. A sample IFT Demand Letter is attached hereto as **Appendix “F”**.
- 4.7 As of November 30, 2025, of the 1,307 leases (1,898 vehicles) that had been turned over to the Manager, 795 leases (1,118 vehicles), representing 61% of the lease portfolio (Canada and the U.S.) are in default, with an average accounts receivable aging of approximately one year. Since the turnover from TPine in late 2024 and early 2025, IFT and its bailiff network have initiated repossession efforts for 1,001 vehicles, with repossessions for the 117 remaining units to be assigned for repossession as soon as practicable. Of the 1,001 units out for repossession only approximately 294 vehicles or 29% have been successfully seized.
- 4.8 Repossessions are challenging, as the vehicles are typically in constant motion and difficult to locate. To date, 126 repossession attempts have failed because the vehicles could not be located and the bailiffs have exhausted all leads. The Manager expects the number of failed repossessions to continue to increase the longer the vehicles remain unlocated.
- 4.9 In a number of cases, lessees have attempted to conceal the units, sell the vehicle without authorization, and/or have tampered with the Vehicle Identification Number (“**VIN**”) identification on the units. For example, on September 11, 2025, the Surrey Police Service in B.C. informed the Manager that a trailer in Calgary registered to TLCC had been seized. The seized vehicle’s factory VIN had been removed and replaced with a fraudulent VIN

before the vehicle was sold to a third party. The vehicle was on lease to a lessee who is party to 11 leases covering 44 vehicles. Subsequently, a bailiff seized another vehicle under lease to the same lessee. The vehicle also had a tampered VIN and had been sold to a third party. The bailiffs have advised that based on their repossession attempts, it is likely that VINs for other vehicles in this fleet have also been altered with the intention to sell to third-parties. The Manager is currently working with the applicable law enforcement agencies to address these issues and may return to the Court for further relief, if necessary.

- 4.10 For vehicles that have been located and repossessed, IFT arranged for these vehicles to be transported to Ritchie Bros. Auctioneers (“**Ritchie**”) for auction. As of November 30, 2025, net sale proceeds from repossessed vehicles have, on average, recovered only 29% of the balance owing under the respective leases.
- 4.11 Due to the high default rates, and to support IFT’s collection efforts, on December 9, 2025, Cassels Brock & Blackwell LLP (“**Cassels**”) issued demand notices on behalf of the Manager to all defaulted¹ lessees (the “**Manager Demand Letter**”). These notices: (i) outlined outstanding payments; (ii) directed lessees to contact the Manager to make payment arrangements; and (iii) advised that if lease payment arrears were not rectified, the Manager would pursue all available remedies, including, without limitation, repossession of the vehicles and/or the commencement of legal proceedings. A sample Manager Demand Letter is appended hereto as **Appendix “G”**.
- 4.12 In total, Cassels sent demand letters by registered mail for 565 leases covering 754 vehicles (including leasees of TLCL). Approximately 75 letters were returned to sender. The

¹ Leases with accounts receivables aged over 60 days were considered in default.

Manager has identified alternative addresses for 30 defaulting obligors and will continue to attempt to find alternate addresses for the remaining parties.

4.13 Manager Demand Letters were not issued for approximately 230 defaulted leases for reasons including, but not limited to: (i) losses under the leases had not yet been quantified (for example, where the underlying asset had been repossessed but not yet sold); (ii) settlement negotiations were ongoing; and (iii) the leases were not in default at the time the Manager Demand Letters were sent.

4.14 As of the date of this Third Report, approximately 45 substantive responses to the Manager Demand Letters have been received, representing 8% of letters issued. Among the responses received, lessees typically conveyed one of the following messages:

- (i) they were confused regarding the insolvency of Pride and had been told or had assumed that payment was no longer required, but are now willing to resume payment on the lease;
- (ii) they are experiencing financial hardship and wish to address lease arrears through a payment plan or by voluntarily surrendering the unit; or
- (iii) they have asserted that they were misled by Pride and are therefore not required to make lease payments, notwithstanding their continued and ongoing use of the vehicles and enjoyment of the benefit of same, while continuing to depreciate the underlying vehicles. In many cases, demands for the return of the underlying vehicles from these lessees have been ignored.

Proposed Collection Plan

- 4.15 Despite the collection efforts over the past year, default rates across the portfolio remain high (273 leases in Canada with Outstanding Obligations (as defined below) of approximately \$50 million and 522 leases in the United States with Outstanding Obligations of approximately \$60 million). Collection efforts to date have also been costly, resulting in significant professional fees and bailiff expenses.
- 4.16 The Manager understands that BDO Canada Limited, in its capacity as Court-appointed receiver over the assets of TPine Canada Securitization LP and TPine Canada GP Inc. (the “**RBC Securitization Receiver**”), is encountering similar challenges with the leases under its management.
- 4.17 To address the widespread non-responsiveness of lessees, minimize confusion among lessees, and establish a more streamlined approach for managing common issues raised by defaulting lessees, the Manager, in consultation with the RBC Securitization Receiver and the Lenders, has determined that it is prudent at this time to seek approval of a Collection Plan Order. The Collection Plan Order provides a mechanism for resolving disputes regarding amounts payable under leases transitioned to the Manager, as well as a process for obtaining a default judgment against non-paying lessees where no dispute is raised. The RBC Securitization Receiver is seeking approval of a similar collection plan.
- 4.18 An overview and summary of the key milestones referenced in the proposed Collection Plan are provided in the table below. Reference should be made to the proposed Collection Plan Order for a complete list of terms and definitions.

Overview of the Collection Plan <i>(Capitalized terms used and not otherwise defined have meanings ascribed thereto in the proposed Collection Plan Order)</i>	
Service of the Claims Package	<p>The Manager shall, not later than 30 business days after the date of the Collection Plan Order, or such later time as determined by the Manager in its reasonable discretion (the “Service Date”), cause a Claims Package to be sent to each Defaulting Obligor. The Claims Package shall contain:</p> <ul style="list-style-type: none"> a. the applicable Manager’s Claim; b. the Instruction Letter; c. a copy of the Collection Plan Order; d. the applicable Settlement Offer; e. a blank form of Notice of Dispute; and f. any other documentation the Manager may deem appropriate. <p>The form of: Manager’s Claim, Instruction Letter, Settlement Offer and Notice of Dispute are attached to the draft order in the Manager’s Motion Record.</p>
Manager’s Claim	<p>The Manager’s Claim shall constitute the Manager’s formal request for payment of the outstanding indebtedness owing by each Defaulting Obligor, calculated in accordance with each Lease.</p> <p>The service and adjudication of each Manager’s Claim in accordance with the terms of the Collection Plan Order shall form a sufficient basis upon which this Court may grant judgment against the applicable Defaulting Obligor.</p>
Settlement Offer	<p>The Manager shall include a Settlement Offer setting out the payment options that the Manager is prepared to accept in full and final settlement of the applicable Manager’s Claim, subject to performance of the settlement agreement.</p> <p>Each Settlement Offer shall remain open for acceptance until the Response Deadline, being 45 days from the date the Claims Package is sent.</p> <p>Where a Defaulting Obligor concludes a settlement on the terms set out in the applicable Settlement Offer, or as otherwise agreed by the Manager, in its sole and absolute discretion, the Manager will provide the applicable Defaulting Obligor with written confirmation that the Manager’s Claim has been satisfied subject to compliance by the Defaulting Obligor with the terms of such settlement and such Obligor will cease to be a Defaulting Obligor.</p>
Notices of Dispute	<p>Any Defaulting Obligor that disputes the Manager’s Claim against them shall submit to the Manager a Notice of Dispute, together with copies of all documents relied upon by such Defaulting Obligor, by the Response Deadline.</p>
Turn-Over of Equipment	<p>If no settlement is reached, unless otherwise agreed by the Manager, in its sole and absolute discretion, each Defaulting Obligor that is in the possession of any truck, trailer, or other motor vehicle or equipment (the “Equipment”) that is subject to a Defaulted Lease shall, within 10 days after the expiry of the Response Deadline, turn-over to the Manager such applicable Equipment by providing the Manager with: (i) access to the Equipment (unloaded and empty of third party goods) at a specified location in Canada; (ii) all copies of Related Items; and (iii) such other assistance as the Manager may reasonably request to facilitate the retrieval of the Equipment and Related Items.</p>

Adjudication of Disputed Claims	<p>Following the Notice of Dispute Deadline, the Manager may, in its sole discretion: (i) refer the dispute raised in the Notice of Dispute to the Claims Officer; or (ii) on notice to the disputing Defaulting Obligor, bring a motion to the Court for purpose of determining the dispute. The Manager shall be entitled to abandon any Disputed Claim, without costs, at its sole discretion, provided that the Disputed Claim has not yet been referred to the Claims Officer or the Court.</p> <p>The Manager shall provide notice to the applicable Defaulting Obligor as to whether a Disputed Claim has been referred to the Claims Officer or the Court or abandoned, within <u>15 business days</u> of the Disputed Claim being so referred or abandoned.</p> <p>Upon referring a Disputed Claim to the Claims Officer, the Manager shall, as soon as reasonably practicable, provide the Claims Officer with a Dispute Package containing (i) the applicable Manager's Claim; (ii) the applicable Notice of Dispute, together with any supporting documentation filed by the Defaulting Obligor; and (iii) any ancillary documentation.</p>
Claims Officer's Role	<p>The Hon. Thomas J. McEwen and Kevin McElcheran shall be appointed as the Claims Officers, with all matters referred initially to Mr. McEwen, who may assign disputes to Mr. McElcheran in his discretion.</p> <p>The Claims Officers shall determine the validity and amount of each Disputed Claim referred to the applicable Claims Officer. The Claims Officers shall be empowered to determine procedural matters which may arise in respect of the determination of any Disputed Claim and may provide advice and directions with respect to common issues among Defaulting Obligors.</p> <p>The Manager shall pay the reasonable professional fees and disbursements of the Claims Officers on presentation and acceptance of invoices from time to time. The Claims Officers shall be entitled to a reasonable retainer against their fees and disbursements, which shall be paid by the Manager, upon request by the Claims Officers. The Claims Officers will also be required to pass their accounts.</p> <p>The Claims Officers are empowered to make an award of costs against the Defaulting Obligor as part of their determination of the Disputed Claims. The Claims Officers shall track and allocate their fees and disbursements on a Disputed Claim-by-Disputed Claim basis to facilitate potential cost awards.</p>
Right of Appeal	<p>The Manager and the Defaulting Obligor shall be entitled to appeal the applicable Claims Decision to the Court by serving upon the other, within the Appeal Period, being the period that concludes on the <u>15th day</u> following the issuance of a Claims Decision in respect of a Manager's Claim by a Claims Officer.</p> <p>If a notice of appeal is not served within such period, then the applicable Claims Decision shall be deemed to be final and binding and there shall be no further right of appeal, review or recourse to the Court from the Claims Decision.</p> <p>Following the expiry of the Appeal Period, the Manager will seek the direction of the Court regarding the procedure for the hearing of the appeals commenced. All appeals shall proceed as true appeals on the basis of the record before the Claims Officers, and not as hearings <i>de novo</i>. The Claims Officers shall not have any role in the appeal process.</p>

	To the extent that appeals raise common issues, the Manager may seek to have such appeals consolidated.
Issuance of Judgments	<p>Any Defaulting Obligor who fails to, by the Response Deadline, either: (i) conclude a settlement on the terms set out in the applicable Settlement Offer; or (ii) submit a Notice of Dispute, shall be deemed to be in default (an “Undefending Defaulting Obligor”).</p> <p>Each Undefending Defaulting Obligor shall be deemed to admit the truth of all allegations of fact made in the applicable Undefended Claim, including the amount(s) owing by them.</p> <p>The Manager shall be entitled to omnibus default judgment(s) against the Undefending Defaulting Obligors to be issued by the Court in the amounts set out in the Undefended Claims.</p> <p>In instances where a dispute is referred to the Claims Officers, following the expiry of the Appeal Period, the Manager shall be entitled to judgment against the applicable Defaulting Obligors in the amounts determined by a Claims Officer, and shall bring a motion to the Court for the purpose of obtaining such judgments. The Manager need not provide said Defaulting Obligors with notice of the motion for judgment.</p>

4.19 For the purposes of the Collection Plan, a lessee, co-lessee, indemnitor, guarantor or other obligor (an “**Obligor**”) that owes a debt to the Manager (as assignee of TLCC under a lease transitioned to the Manager as Management Property) is considered to be a Defaulting Obligor, provided that “Defaulting Obligor” shall not include:

- (i) an Obligor subject to an existing judgment, including a default judgment;
- (ii) an Obligor that is the subject of a payment plan or settlement between the Obligor and IFT or the Manager, where the Obligor is not in default under such plan or settlement;
- (iii) an Obligor that is in default under a lease for less than 60 days; or
- (iv) an Obligor subject to CCAA, BIA bankruptcy, BIA proposal, or court supervised receivership proceedings.

4.20 The Collection Plan only applies to TLCC (a Canadian entity) leases (458 leases) and does not apply to any leases with entities other than TLCC. Approximately 849 leases or 65% of the leases that form part of the Management Property are with TLCL (a U.S. entity). Based on U.S. law considerations, the Manager intends to pursue a modified claims process with respect to lessees that have entered into leases with TLCL. The Manager will bring an application before the appropriate court in due course. In the interim, the Manager intends to continue to contact TLCL lessees that are in default and attempt to remediate accounts.

4.21 The Manager's Claim against a Defaulting Obligor consists of the following:

- (i) the unpaid monthly lease obligations that are owing pursuant to the applicable lease (the "**Arrears**");
- (ii) all amounts that have or will become due pursuant to the lease until the termination or expiration of the lease (the "**Accelerated Obligations**" and together with the Arrears, the "**Outstanding Obligations**");
- (iii) a fee of \$1,000 representing an estimate of legal and collection costs incurred to the date of issuance of the Collection Plan Order (the "**Issuance Date**");
- (iv) the Manager's costs of this proceeding from the Issuance Date on a full or, in the alternative, substantial indemnity basis, plus all applicable disbursements and taxes;

- (v) pre- and post-judgment interest on overdue payments at the rate of 24% per annum as set out in the applicable lease² or at the rate prescribed by the *Courts of Justice Act, R.S.O. 1990 c. C. 43*, as amended; and
- (vi) such further and other relief as the Claims Officer or the Court may deem just.

4.22 To assist lessees in addressing their past-due obligations, the Manager is prepared to provide Defaulting Obligors with options to adjust their payment plan to repay their Outstanding Obligations, provided the lessee complies with the applicable revised payment terms through to the end of the lease term. The payment plan options may include:

- (i) lessee to restart regular monthly payments and extending the term of the applicable lease by up to the lesser of: (a) the number of months the lease is currently in arrears (e.g. no change to monthly payments); or (b) 12 months, with the Arrears amortized over the extended term (e.g. monthly payment increased and includes the monthly payment plus amortized portion of Arrears); or
- (ii) entering into a payment plan acceptable to the Manager under which the lessee makes lump-sum payments or increases the monthly payments until the Outstanding Obligations are repaid in full; and
- (iii) in the case of either option (i) or (ii), the lessee may also return the underlying vehicle(s) for realization by the Manager, with the net proceeds applied

² To the extent any Lease provides for a different rate, the Manager's Claim will be adjusted accordingly.

against the Outstanding Obligations. Any remaining balance may be repaid through a payment plan arrangement consistent with options (i) or (ii).

- 4.23 By engaging with the Manager and entering into a settlement arrangement, the Defaulting Obligors will be able to pay their Outstanding Obligations according to a schedule that better suits their circumstances, rather than face a judgment for the full amount of the Outstanding Obligations, together with accrued interest and fees.
- 4.24 Given the number of out-of-date addresses provided to the Manager, the Collection Plan Order also provides for the publication of a notice to the lessees of TLCC (the “**Notice to Obligors**”). The Notice to Obligors will be published in *Today’s Trucking* (a print magazine), on trucknews.com (an online news site), and in a related e-newsletter (collectively, “**Truck News**”). Truck News is a multi-platform trade publication targeting fleet owners, logistics executives, and owner operators. It focuses on delivering news and articles relevant to the trucking industry and is widely circulated within the sector. Today’s Trucking, the print magazine, is distributed to 21,000 industry members; trucknews.com receives approximately 160,000 verified³ monthly visitors; and the Truck News e-newsletter has 21,000 daily subscribers. Based on discussions with the Dealership Network (as defined below), the Manager understands that Truck News is regarded as a credible source of industry information. The Manager also understands that Truck News readers have shown significant interest in developments relating to the Pride Entities, as the most read Truck News article of 2025 concerned updates to the Pride proceedings.

³ Verified monthly visitors excludes non-human traffic

4.25 The Manager respectfully requests that the Court grant the proposed Collection Plan Order for the following reasons:

- (i) the Manager is of the view that the relief sought in the proposed Collection Plan Order is reasonable, appropriate, and necessary in light of the circumstances described herein, particularly as it establishes a streamlined mechanism to address potential disputes given the substantial number of defaulted leases, the ongoing non-responsiveness of many lessees and the similar issues that may be raised by Defaulting Obligors;
- (ii) the contemplated Collection Plan is fair and provides sufficient flexibility for Defaulting Obligors to either reach a settlement with the Manager or raise a dispute regarding the Manager's Claim;
- (iii) the proposed dispute resolution process allows for a Claims Officer to address each Defaulting Obligor in the manner most appropriate to the specific circumstances of the underlying lease dispute, and it provides a process for appeals where necessary;
- (iv) the vast majority of Defaulting Obligors continue to use and benefit from the leased vehicles without remitting any lease payments. The return of the vehicles, as contemplated in the Collection Plan, is required to prevent further diminution of value and to maximize recoveries for the benefit of stakeholders;

- (v) the appointment of the Claims Officers will allow for the efficient management of the Collection Plan and limit the need to bring matters before this Court. The Hon. Thomas J. McEwen was a Justice of the Ontario Superior Court of Justice for over 14 years. As the head of the Commercial, Estates and Civil Teams, Mr. McEwen was responsible for managing numerous high-profile, complex matters, including complex cross-border insolvency matters. Mr. McEwen has been appointed to act as the mediator in other matters related to the Pride Entities and is familiar with the background of these CCAA Proceedings. Mr. McElcheran is an experienced arbitrator, mediator and restructuring advisor with more than three decades of experiences in insolvency. Mr. McElcheran has completed the Commercial Mediation Course offered by the Chartered Institute of Arbitrators in London, United Kingdom and is a member of CIArb;
- (vi) the Collection Plan preserves the rights of the Defaulting Obligors to raise any defenses appropriate before an experienced adjudicator and permits the parties to appeal to the Court if necessary; and
- (vii) The Collection Plan is consistent with the intended flexibility of the CCAA and the principle in the *Rules of Civil Procedure* that require the Rules to be liberally construed to secure the just, most expeditious and least expensive determination of every civil proceeding on its merits.

5.0 OTHER MANAGER UPDATES

Vehicle Sales

- 5.1 As described in the Second Report, the Manager had taken possession of 606 vehicles located in Canada and had engaged five dealerships across Canada (the “**Dealership Network**”) to monetize these vehicles on a consignment basis.
- 5.2 As of December 2, 2025, sales through the Dealership Network have concluded. Through the Dealership Network, 557 vehicles have been sold, generating net proceeds of approximately \$36 million. The remaining 49 vehicles that were not sold by the Dealership Network have been transported to Ritchie and are expected to be sold at auction over the next three months.
- 5.3 Also as described in the Second Report, all vehicles located in the United States (approximately 130 VINs) were auctioned by Tiger Capital Group, LLC (“**Tiger**”). Tiger conducted four auctions in total and successfully sold all vehicles located in the United States, generating net proceeds of approximately US\$4.4 million.

Recovery of I-Way Leased Vehicles

- 5.4 As detailed in the Second Report, the Manager had previously brought one lessee before the Court who had refused to make any lease payments while continuing to use the leased vehicles. Specifically, a group of companies including Wings Freightway Inc., I-Way Transport Inc., and 2834021 Ontario Inc. These companies are party to 20 leases with TLCC that form part of Management Property for a total of 47 VINs.

- 5.5 On November 20, 2025, the Court granted the I-Way Turn-Over Order, which, among other things, directs the I-Way Parties to turn over possession of the I-Way Leased Vehicles and the New Tires (each as defined in the I-Way Turn-Over Order) to the Manager forthwith and to fully cooperate with the Manager to facilitate such orderly transfer.
- 5.6 Since the date of the Second Report, the Manager, with the assistance of Cassels, has engaged in numerous discussions with the I-Way Parties, through its counsel, VK Law Group (“**VK Law**”), in an effort to resolve issues relating to the turnover of the I-Way Vehicles.
- 5.7 The I-Way Parties have provided the locations of all but two of the 47 I-Way Leased Vehicles. Of the 45 vehicles where locations were provided: i) 26 vehicles were situated at third-party repair shops and subject to significant repair liens totalling approximately \$350,000; and ii) 19 vehicles were located at properties owned by the I-Way Parties. The Manager has requested the I-Way Parties to provide details as to where the remaining two I-Way Leased Vehicles are located, including GPS support.
- 5.8 After reviewing the repair invoices provided by the third-party repair shops and conducting preliminary vehicle inspections, the Manager has significant concerns regarding the validity of the invoiced work. In certain instances, the Manager retained a mechanic to assess the repairs on-site, and based on the mechanic’s review, the work described in the invoices does not appear to have been completed. Specifically:
- (i) certain parts were purportedly replaced, yet the original paint and seals on those parts remain intact;

- (ii) several high-cost repairs are inconsistent with the condition and age of the trucks and are typically unnecessary for vehicles of their vintage;
- (iii) mileage discrepancies in the repair shops' records suggest that the trucks may have been driven during periods when they were allegedly in storage; and
- (iv) the repair shops claim to have continued performing repairs after alleged non-payment by I-Way for months.

5.9 The Manager raised the above concerns regarding the legitimacy of the invoices with the I-Way Parties. The I-Way Parties advised that the invoices had been "confirmed," but did not directly address the specific issues identified.

5.10 To avoid further depreciation of the vehicles and additional storage costs, the Manager has arranged to make payments to the third-party repair shops to facilitate the release of the I-Way Vehicles, despite concerns regarding the legitimacy of the repair invoices. The repair shops were advised that payment of the invoices did not constitute acknowledgment that the amounts were due and owing, and that the Manager reserved all rights to challenge the invoices and seek reimbursement following further due diligence. The Manager has engaged mechanics to conduct detailed inspections as the vehicles are repossessed to determine whether the repairs were in fact performed.

5.11 As detailed in the Second Report, the unpaid invoices provided to the Manager showed that five of the I-Way Leased Vehicles recently had New Tires installed. The unpaid costs allegedly benefit from a RSLA lien over the I-Way Leased Vehicles. The repair shops

informed the Manager that approximately one week prior to October 31, 2025, the vehicles were dropped off at the same repair shops by the I-Way Parties, without the New Tires. The repair shops are now requesting payment from the Manager for the New Tires (which are no longer on the vehicles) and other work before releasing the I-Way Leased Vehicles. Since the date of the Second Report, neither the repair shops nor the I-Way Parties have been able to locate the New Tires.

5.12 The Manager understands that, on December 18, 2025, the Court issued an Order appointing Ernst & Young Inc. as the Court-appointed receiver over the I-Way Parties (the “**I-Way Receiver**”) effective January 9, 2026. In light of this development, the Manager intends to work with the I-Way Receiver to recover the remaining I-Way Vehicles and the New Tires. The Manager will provide a further update to this Court in its next report.

6.0 RECEIPTS AND DISBURSEMENTS

6.1 The receipts and disbursements of the Manager for the period October 23, 2024, to December 31, 2025 (the “**Reporting Period**”), are set out below:

CAD \$000's	
Receipts	
Vehicle Sales	50,396
Lease Collections	31,801
Proceeds from the Monitor/Pride	9,144
Deposit Interest	259
Other	346
Total Receipts	\$91,946
Disbursements	
Professional Fees	(7,430)
Sales Tax Remittances	(4,538)
Insurance	(1,702)
Lease Servicing Costs	(1,544)
Payments to Dealer Network	(668)
Other	(311)
Total Disbursements	(\$16,193)
Net Cash Receipts	\$75,753
Less: Interim Distributions	(\$64,609)
Ending Cash Balance as at December 31, 2025	\$11,145
Less Funds Set Aside For:	
Resolved MCVs	(645)
Unresolved Third-Party and MCV Claims	(1,644)
Cash Balance after Deducting Reserves as at December 31, 2025	\$8,856

6.2 The Manager notes the following with respect to the receipts and disbursements during the Reporting Period:

Receipts

- (i) vehicle sales primarily consist of net proceeds from the sale of vehicles through the Dealership Network and Tiger;
- (ii) lease collections represent funds received from IFT in respect of lease portfolio servicing, including proceeds from the sale of repossessed vehicles;
- (iii) proceeds from the Monitor/Pride relate to amounts collected by the Pride Entities on the Manager's behalf, and distributed to the Manager in accordance with the Governance Protocols relating to Management Property;

Disbursements:

- (iv) disbursements are primarily comprised of professional fee payments to the Manager and its counsel, sales tax remittances, and other operating costs (e.g. insurance, IFT's servicing costs, etc.) incurred in connection with realizing on Management Property;
- (v) pursuant to the Collateral Management Order, the Manager has been authorized to: distribute (a) proceeds from Management Property to the relevant Lenders; (b) proceeds from Multiple Collateral Vehicles in accordance with the relevant MCV Turn-Over Resolutions; and (c) proceeds

from any PCVs in accordance with a final determination of entitlement (as such terms are used in the Collateral Management Order); and

- (vi) as of the date of this Third Report, interim distributions totaling \$64.6 million have been made to the relevant Lenders.

6.3 The Manager has set aside: (i) net proceeds of approximately \$645,000 in respect of collections related to resolved Multiple Collateral Vehicles (“MCVs”), which are to be transferred to the RBC Securitization Receiver; and (ii) approximately \$1.6 million in unresolved MCV proceeds and third-party claims that have been identified (other than amounts in respect of alleged repair and storage lien act claims that have been paid over to the Monitor). The Manager anticipates that the remaining cash-on-hand balance of approximately \$8.9 million will provide sufficient liquidity to settle outstanding or accrued obligations and to facilitate the continuation of its remaining activities.

7.0 CONCLUSIONS AND RECOMMENDATIONS

7.1 Based on the foregoing, the Manager respectfully requests that the Court make an order granting the relief sought in the Manager’s Notice of Motion and as described in section 3.0 of this Third Report.

All of which is respectfully submitted to the Court this 6th day of January, 2026.

**Alvarez & Marsal Canada Inc.,
in its capacity as Court-Appointed Manager over
certain property of Pride Group Holdings Inc. and certain affiliates
and not in its personal or corporate capacity.**

Per:  _____

Douglas McIntosh
President

Per:  _____

Greg Karpel
Senior Vice-President

SCHEDULE “A”

A. APPLICANTS

Operating Entities

Canadian Operating Entities

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

U.S. Operating Entities

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

Real Estate Holding Companies

Canadian Real Estate Holding Companies

- 2029909 ONTARIO INC.
- 2076401 ONTARIO INC.
- 1450 MEYERSIDE HOLDING INC.
- 933 HELENA HOLDINGS INC.
- 30530 MATSQUI ABBOTSFORD HOLDING INC.
- 2863283 ONTARIO INC.
- 2837229 ONTARIO INC.
- 2108184 ALBERTA LTD.
- 12944154 CANADA INC.
- 13184633 CANADA INC.
- 13761983 CANADA INC.
- 102098416 SASKATCHEWAN LTD.
- 177A STREET SURREY HOLDING INC.

- 52 STREET EDMONTON HOLDING INC.
- 84 ST SE CALGARY HOLDINGS INC.
- 68TH STREET SASKATOON HOLDING INC.
- 3000 PITFIELD HOLDING INC.
- BLOCK 6 HOLDING INC.

U.S. Real Estate Holding Companies

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

Other Holding Companies

Other Canadian Holding Companies

- 2692293 ONTARIO LTD.
- 2043002 ONTARIO INC.
- PRIDE GROUP HOLDINGS INC.
- 2554193 ONTARIO INC.

- 2554194 ONTARIO INC.
- PRIDE GROUP REAL ESTATE HOLDINGS INC.
- 1000089137 ONTARIO INC.

Other U.S. Holding Companies

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

B. LIMITED PARTNERSHIPS

U.S. Limited Partnerships

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

C. ADDITIONAL STAY PARTIES

Canadian Additional Stay Parties

- 2500819 ONTARIO INC.

U.S. and Other Additional Stay Parties

- PERGOLA HOLDINGS, CORP.

APPENDIX “A”

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF PRIDE GROUP HOLDINGS INC. AND
THOSE APPLICANTS LISTED ON SCHEDULE "A" HERETO**

**FIRST REPORT OF THE MANAGER
ALVAREZ & MARSAL CANADA INC.**

January 30, 2025

TABLE OF CONTENTS

1.0	INTRODUCTION.....	1
2.0	TERMS OF REFERENCE AND DISCLAIMER	2
3.0	PURPOSE.....	3
4.0	PROPOSED AMENDMENTS TO MANAGEMENT PROPERTY	5
5.0	MANAGER UPDATES.....	9
6.0	CONCLUSIONS AND RECOMMENDATIONS.....	12

SCHEDULES

Schedule “A” – CCAA Applicants; Limited Partnerships and Additional Stay Parties

APPENDICES

Appendix “A” – Amended Syndicate Collateral Management Order

Appendix “B” – Correspondence with Versa

1.0 INTRODUCTION

- 1.1 On March 27, 2024, Pride Group Holdings Inc. and those entities listed as “Applicants” in Schedule “A” hereto (collectively, the “**Applicants**” and with the limited partnerships, the “**Pride Entities**”) were granted protection under the Companies’ Creditors Arrangement Act (the “**CCAA Proceedings**”) pursuant to an initial order (as subsequently amended, the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) which, among other things, appointed Ernst & Young Inc. as Monitor (the “**Monitor**”).
- 1.2 To address competing secured claims with respect to certain vehicles owned, leased or operated by the Pride Entities, on June 14, 2025, the Court granted an Order (the “**Entitlement Claims Process Order**”) establishing procedures for the determination of the priority of competing claims against Multiple Collateral Vehicles as identified by the Monitor’s Database (each as defined in the Entitlement Claims Process Order), and granting other corollary relief.
- 1.3 On August 8, 2024, the Court granted an Order (the “**Securitized Assets Turn-Over Order**”) which provides, among other things, a process to transition and relinquish servicing and other duties under certain securitization programs (the “**Securitization Programs**”), where the outcome of the Monitor’s proprietary interest assessment with respect to the applicable securitization funder’s (the “**Securitization Party**”) ownership entitlement to such assets is favourable, to the Securitization Party.
- 1.4 On October 10, 2024, the Court granted an Order (the “**Recourse Lender Turn-Over Order**”) which provides, among other things, a process to turn-over Remaining Assets (as

defined in the Recourse Lender Turn-Over Order) to the applicable Recourse Lender and for such Remaining Assets to be sold free and clear from any and all Claims or Encumbrances (each as defined in the Recourse Lender Turn-Over Order).

1.5 On October 17, 2024 (the “**Appointment Date**”), Royal Bank of Canada (“**RBC**”), in its capacity as administrative agent (the “**Administrative Agent**”) for and on behalf of itself and other lenders party to the Fourth Amended and Restated Credit Agreement dated May 10, 2024 (together, in such capacity, the “**Syndicate Lenders**”) sought and obtained an Order (the “**Syndicate Collateral Management Order**”) appointing Alvarez & Marsal Canada Inc. (“**A&M**”) as Court-appointed collateral manager (the “**Manager**”) of the Management Property (as defined herein) and authorizing the Manager to take steps to, among other things, collect and dispose of the Management Property in accordance with the Recourse Lender Turn-Over Order.

1.6 On November 1, 2024, on the motion of Royal Bank of Canada, in its capacity as Bilateral Lender (“**RBC Bilat**”), the Court granted an Order amending the Syndicate Collateral Management Order (the “**Amended Syndicate Collateral Management Order**”) expanding the definition of Management Property to authorize the Manager to provide assistance to RBC Bilat. A copy of the Amended Syndicate Collateral Management Order is attached hereto as Appendix “A”.

2.0 TERMS OF REFERENCE AND DISCLAIMER

2.1 In preparing this report (the “**First Report**”), the Manager has relied upon unaudited financial information, books and records and other documents provided by and discussions with management of the Applicants and the Monitor (the “**Information**”).

- 2.2 The Manager has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Manager has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“CASs”) pursuant to the Chartered Professional Accountants Canada Handbook, and accordingly, the Manager expresses no opinion or other form of assurance contemplated under CASs in respect of the Information.
- 2.3 This First Report has been prepared for the purposes described below and to assist the Court in making a determination of whether to approve the relief sought described below. Accordingly, the reader is cautioned that this First Report may not be appropriate for any other purpose. The Manager will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this First Report different than the provisions of this paragraph.
- 2.4 Unless otherwise stated, all monetary amounts contained in this First Report are expressed in Canadian dollars.
- 2.5 Further information about the CCAA Proceedings, its background and copies of materials filed with the Court are available on the Monitor’s website at: <https://documentcentre.ey.com/#/detail-engmt?eid=589> (the “**Monitor’s Website**”).

3.0 PURPOSE

- 3.1 The purpose of this First Report is to:

- (i) support the Manager's motion to amend the Amended Syndicate Collateral Management Order to:
 - (a) amend the definition of Management Property to:
 - (A) include such assets or interests (regardless of whether such asset or interest is titled to a Pride Entity) as may be turned-over to the Syndicate Lenders (or to the Manager as designee of the Syndicate Lenders) from time to time pursuant to the Recourse Lender Turn-Over Order (including any MCV Turn-Over Resolution), Securitized Asset Turn-Over Order (including any MCV Servicing Agreement), Entitlement Claims Process Order, or other order of the Court; and
 - (B) include, with the consent of the Manager and the Administrative Agent, such further assets or interests (regardless of whether such asset or interest is titled to a Pride Entity) as may be turned-over to RBC Bilat (or to the Manager as designee of RBC Bilat) from time to time pursuant to the Recourse Lender Turn-Over Order (including any MCV Turn-Over Resolution), Securitized Asset Turn-Over Order (including any MCV Servicing Agreement), Entitlement Claims Process Order, or other order of the Court;
 - (b) confirm the authority of the Manager to sell such additional Management Property free and clear of Claims and Encumbrances; and

- (c) make such other minor amendments as are necessary to incorporate the additional vehicles into the Manager's mandate; and
- (ii) provide an update of the Manager's activities since the Appointment Date.

4.0 PROPOSED AMENDMENTS TO MANAGEMENT PROPERTY

4.1 Capitalized terms used and not otherwise defined in this section have meanings ascribed thereto in the Amended Syndicate Collateral Management Order.

4.2 The Amended Syndicate Collateral Management Order provides that A&M is appointed Manager over certain assets of the Pride Entities ("**Management Property**"), including:

- (i) all Remaining Assets to be turned-over to the Syndicate Lenders (the "**Syndicate Assets**") upon payment by the Syndicate Lenders of their Liquidity Contribution pursuant to the Recourse Lender Turn-Over Order, which shall include those Remaining Assets identified by vehicle identification number ("**VIN**") in Schedule "B" to the Amended Syndicate Collateral Management Order;
- (ii) such further Remaining Assets as may be turned-over to the Syndicate Lenders from time to time pursuant to the Recourse Lender Turn-Over Order, Entitlement Claims Process Order, or other order of the Court, and in such case, an updated Schedule "B" to the Amended Syndicate Collateral Management Order shall be posted on the Monitor's Website; and
- (iii) the Remaining Assets to be turned-over to RBC Bilat (the "**RBC Bilat Assets**") upon payment by RBC Bilat of its Liquidity Contribution pursuant to the Recourse

Lender Turn-Over Order, which RBC Bilat Assets are identified by VIN in Schedule “D” to the Amended Syndicate Collateral Management Order, and with the consent of the Manager and the Administrative Agent, such further RBC Bilat Assets as may be turned-over to RBC Bilat from time to time pursuant to the Recourse Lender Turn-Over Order, Entitlement Claims Process Order, or other order of the Court, and in such case, an updated Schedule “D” to the Amended Syndicate Collateral Management Order shall be posted on the Monitor’s Website.

- 4.3 Since the issuance of the Recourse Lender Turn-Over Order, the Syndicate Lenders have worked to resolve disputes with respect to Multiple Collateral Vehicles, including with other Recourse Lenders and Securitization Parties, and have entered into agreements (“**MCV Resolution Agreements**”) that provide for the Manager to take possession and dispose of certain Multiple Collateral Vehicles by adding such vehicles to Schedule “B” to the Amended Syndicate Collateral Management Order. Together, the MCV Resolution Agreements contemplate the Manager taking possession of 342 Multiple Collateral Vehicles.
- 4.4 The MCV Resolution Agreements provide for: (i) final resolution in respect of 217 Multiple Collateral Vehicles where entitlement determination has been reached as between the Syndicate Lenders and the relevant counterparty, and (ii) the process for disposition of 125 Multiple Collateral Vehicles where entitlement remains subject to further Court order. In each case, the MCV Resolution Agreements require the addition of the applicable VINs to Schedule B to the Amended Syndicate Collateral Management Order.

- 4.5 The definition of Management Property is currently limited to Remaining Assets, which excludes assets where a Securitization Party has asserted an interest. Without the proposed amendment, there may be potential confusion regarding the scope of the Management Property, even if Schedule B is amended pursuant to the MCV Resolution Agreements. The proposed amendment will allow the Manager to exercise all necessary powers over the Management Property identified in the MCV Resolution Agreements.
- 4.6 Further, the Manager recently learned that six vehicles turned over to the Manager are titled in the name of TPine USA Funding III, LLC, a special purpose vehicle created for the purposes of a Securitization Program, for which Versa Finance US Corp. (“**Versa**”) acts as custodian. The Manager has confirmed with Versa that it does not claim an interest in these six vehicles. A copy of the email confirmation from Versa is attached as Appendix “**B**”. The Manager has also been advised by the Pride Entities that such vehicles will be retitled in the name of the applicable Pride Entity in due course.
- 4.7 As such, the Manager is seeking approval to amend the definition of Management Property to include any additional vehicles (including Multiple Collateral Vehicles involving a Securitization Party) regardless of whether such asset or interest is titled to a Pride Entity that may be turned over to the Syndicate Lenders or RBC Bilat (or to the Manager as designee of the Syndicate Lenders or RBC Bilat) from time to time pursuant to the Recourse Lender Turn-Over Order (including any MCV Turn-Over Resolution), Securitized Asset Turn-Over Order (including any MCV Servicing Agreement), Entitlement Claims Process Order, or other order of the Court.

- 4.8 Out of an abundance of caution, the Manager seeks this relief *nunc pro tunc* to the Appointment Date to ensure that it has the benefit of all the protections in the Amended Syndicate Collateral Management Order effective as of October 17, 2024.
- 4.9 In addition, the Manager is seeking vesting language which confirms that the Manager may sell the Management Property free and clear of any Claims and Encumbrances. The language requested is substantially similar to the language provided for the Recourse Lender Turn-Over Order and Order (re Approving Turnover Costs and Final Retrieval Deadline, and Authorizing NCI to Sell Remaining Assets) granted by this Court on January 15, 2025, authorizing the Pride Entities' sale agent to sell certain assets located on the Pride Entities' property.
- 4.10 The Manager respectfully recommends that the Court approve the proposed amendments to the Amended Syndicate Collateral Management Order for the following reasons:
- (i) the Monitor has reviewed each of the MCV Resolution Agreements and has agreed to turn-over such Multiple Collateral Vehicles to the Manager for disposition where applicable;
 - (ii) the Manager has exercised due care in retrieving vehicles made available for turn-over and has worked diligently to confirm title and interest with the Monitor and the Pride Entities prior to monetization; and
 - (iii) the Manager is unaware of any opposition to the proposed amendment.

5.0 MANAGER UPDATES

- 5.1 On October 16, 2024, the Syndicate Lenders funded approximately \$18.7 million to the Monitor to satisfy the Liquidity Contribution required by the Recourse Lender Turn-Over Order, representing \$6,984 per VIN for 2,681 VINs, based on VIN lists prepared by the Monitor that estimated the number of VINs available for turn-over. Similarly, on October 29, 2024, RBC Bilat funded approximately \$440,000 to the Monitor to satisfy its Liquidity Contribution, representing \$6,984 per VIN for 63 VINs.
- 5.2 As detailed below, the Manager has been provided with turn-over information to collect vehicles or transition lease servicing of 2,414 Remaining Assets to date (2,354 Syndicate Assets and 60 RBC Bilat Assets), or 330 VINs (327 Syndicate Assets and 3 RBC Bilat Assets) fewer than indicated on the VIN lists used by the Monitor to calculate the Liquidity Contribution required by the Syndicate Lenders and RBC Bilat, in aggregate. At a rate of \$6,984 per VIN, this represents overcontributions of approximately \$2.3 million and \$21,000 by the Syndicate Lenders and RBC Bilat, respectively.
- 5.3 While there have been challenges encountered during the turn-over of Management Property, the Manager has vigilantly complied with the prescribed timeframes to retrieve Management Property and has responded in a timely fashion to periodic updates in turn-over information provided by the Pride Entities and the Monitor.
- 5.4 In instances where turn-over information was not provided by the Pride Entities with sufficient and reasonable lead time in the context of the prescribed timeframes, the Manager pre-arranged with the Monitor an extension of turn-over deadlines appropriate in

the circumstances. Such limited extensions were agreed to by the Monitor and timelines were adhered to by the Manager.

5.5 At present, the Manager has significant outstanding requests made to the Pride Entities and the Monitor in respect of the assets that have been transitioned to the Manager, including but not limited to: (i) payment of lease collections held by the Pride Entities in connection with the Management Property; and (ii) documentation required, including copies of leases and titles, in the possession of the Pride Entities.

5.6 Since the Appointment Date, the Manager has:

- (i) retrieved 592¹ vehicles from Pride Entities' lots and coordinated with the Pride Entities and the Monitor in respect of title transfer and sales tax reporting for monetized vehicles;
- (ii) facilitated the turn-over of 1,662 leases to Integrated Financial Technologies Inc., the replacement lease servicer engaged by the Manager;
- (iii) received payment from the Pride Entities or the Monitor in respect of 160 VINs, representing Management Property sold or otherwise realized on during these CCAA Proceedings by the Applicants; and

¹ This number excludes three units that have been turned-over to the Manager which the Monitor has subsequently marked as "Under Review for Correction" per an updated Monitor's Database as of December 11, 2024.

(iv) transitioned 189 Multiple Collateral Vehicles,² including 47 vehicles and 142 leases. The Manager has also received sale proceeds for 29 Multiple Collateral Vehicles.³

5.7 The Monitor has notified the Manager that approximately 600 VINs (including 154 specifically financed VINs with an outstanding principal balance of approximately \$17.4 million) listed in the Monitor's Database as subject to the Syndicate Lenders' priority claim are no longer in the Pride Entities' possession due to reasons including, but not limited to: (i) Pride Entities selling such vehicles prior to the CCAA Proceedings without remitting proceeds to the Syndicate Lenders, where required; (ii) Pride Entities never purchasing vehicles which were specifically financed by the Syndicate Lenders; and (iii) Pride Entities' customers' leases were cancelled or bought out, but proceeds were not repaid to the Syndicate Lenders, where required. Over 100 of the VINs confirmed to be no longer in the Pride Entities' possession were included in the VIN lists used by the Monitor to calculate the Syndicate Lenders' Liquidity Contribution.

5.8 In addition, as at the date of this First Report, approximately 200 VINs listed on Schedule "B" (Syndicate Assets) to the Amended Syndicate Collateral Management Order have not been made available to the Manager or included on the turn-over list, without any explanation (the "**Missing VINs**"). It is unclear to what extent the Missing VINs are not available for reasons similar to those outlined in section 5.7.

² An additional 124 Multiple Collateral Vehicles remain to be transitioned to the Manager, of which turn-over information for 111 VINs has been provided and such vehicles are to be transitioned imminently. Turn-over information for 13 VINs is still outstanding.

³ References to the quantum of Multiple Collateral Vehicles in this First Report include both VINs to which entitlement has been resolved and those which remain subject to a further entitlement resolution.

5.9 The Manager intends to continue to work cooperatively with the Monitor and Pride Entities to locate the Missing VINs and transition Management Property with the associated necessary documentation.


6.0 CONCLUSIONS AND RECOMMENDATIONS

6.1 Based on the foregoing, the Manager respectfully requests that the Court make an order granting the relief sought in the Manager's Notice of Motion and as described in section 3.0 of this First Report.

All of which is respectfully submitted to the Court this 30th day of January, 2025.

**Alvarez & Marsal Canada Inc.,
in its capacity as Court-Appointer Manager over
certain property of Pride Group Holdings Inc. and certain affiliates
and not in its personal or corporate capacity.**

Per:



Douglas McIntosh
President

Schedule “A”

A. APPLICANTS

Operating Entities

Canadian Operating Entities

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

U.S. Operating Entities

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

Real Estate Holding Companies

Canadian Real Estate Holding Companies

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

U.S. Real Estate Holding Companies

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

Other Holding Companies

Other Canadian Holding Companies

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

Other U.S. Holding Companies

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

B. LIMITED PARTNERSHIPS

U.S. Limited Partnerships

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

C. ADDITIONAL STAY PARTIES

Canadian Additional Stay Parties

- BLOCK 6 HOLDING INC.
- 2500819 ONTARIO INC.

U.S. and Other Additional Stay Parties

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

APPENDIX “B”

**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 (each,
an "**Applicant**", and collectively, the "**Applicants**")

**SECOND REPORT OF THE MANAGER
ALVAREZ & MARSAL CANADA INC.**

November 10, 2025

TABLE OF CONTENTS

1.0	INTRODUCTION.....	1
2.0	TERMS OF REFERENCE AND DISCLAIMER	3
3.0	PURPOSE.....	4
4.0	MANAGER UPDATES.....	6
5.0	MANAGER’S EFFORTS TO RECOVER I-WAY LEASED VEHICLES	17
6.0	RECEIPTS AND DISBURSEMENTS.....	24
7.0	APPROVAL OF FEES AND DISBURSEMENTS.....	26
8.0	ACTIVITIES OF THE MANAGER.....	27
9.0	REMAINING ACTIVITIES.....	30
10.0	CONCLUSIONS AND RECOMMENDATIONS.....	31

SCHEDULES

Schedule “A” – CCAA Applicants; Limited Partnerships and Additional Stay Parties

APPENDICES

Appendix “A” – Second Amended Collateral Management Order

Appendix “B” – Request for Information and Response (without Schedules)

Appendix “C” – A&M Fee Affidavit

Appendix “D” – Cassels Fee Affidavit

Appendix “E” – I-Way Lease Summary

Appendix “F” – I-Way Lease Samples

Appendix “G” – Sample VK Letter

Appendix “H” – August 19 and 21, 2025 VK Law email and Unsigned PFS Agreement

Appendix “I” – September 23, 2025 through October 2, 2025 I-Way Correspondence

Appendix “J” – October 30, 2025 VK Law correspondence purporting to turn-over

Appendix “K” – Summary of I-Way Leased Vehicle repair shop invoices

Appendix “L” – Complete repair shop invoices

1.0 INTRODUCTION

- 1.1 On March 27, 2024, Pride Group Holdings Inc. and those entities listed as “Applicants” in Schedule “A” hereto (collectively, the “**Applicants**” and with the limited partnerships, the “**Pride Entities**” or “**Pride**”) were granted protection under the *Companies’ Creditors Arrangement Act* (the “**CCAA Proceedings**”) pursuant to an initial order (as subsequently amended, the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) which, among other things, appointed Ernst & Young Inc. as Monitor (the “**Monitor**”).
- 1.2 To address competing secured claims with respect to certain vehicles owned, leased or operated by the Pride Entities, on June 14, 2024, the Court granted an Order (the “**Entitlement Claims Process Order**”) establishing procedures for the determination of the priority of competing claims against Multiple Collateral Vehicles as identified in the Monitor’s Database (each as defined in the Entitlement Claims Process Order), and granting other corollary relief. Pursuant to the Initial Order and the Entitlement Claims Process Order, the Monitor issued the Eleventh Report of the Monitor dated August 2, 2024, which provided the Monitor’s best view of the validity and priority of security interests of the various secured creditors.
- 1.3 On October 10, 2024, the Court granted an Order (the “**Recourse Lender Turn-Over Order**”) which provides, among other things, a process to turn-over Remaining Assets (including Inventory and Leasebooks) to the applicable Recourse Lender (as identified by the Monitor pursuant to the prior orders) and for such Remaining Assets to be sold free and

clear from any and all Claims or Encumbrances (each as defined in the Recourse Lender Turn-Over Order).

- 1.4 On October 17, 2024 (the “**Appointment Date**”), the Court granted an Order (the “**Collateral Management Order**”) appointing Alvarez & Marsal Canada Inc. as Court-appointed collateral manager (the “**Manager**”) over the Management Property (as defined in the Collateral Management Order) and authorizing the Manager to take steps to, among other things, collect and dispose of the Management Property in accordance with the Recourse Lender Turn-Over Order on behalf of the Royal Bank of Canada in its capacity as administrative agent (“**Syndicate Agent**”) for and on behalf of itself and other lenders party to the Fourth Amended and Restated Credit Agreement dated May 10, 2024 (together, in such capacity, the “**Syndicate Lenders**”).
- 1.5 On November 1, 2024, on the motion of Royal Bank of Canada, in its capacity as Bilateral Lender (“**RBC Bilat**” and together with the Syndicate Lenders, the “**Lenders**”), the Court granted an Order amending the Collateral Management Order (the “**Amended Collateral Management Order**”) expanding the definition of Management Property to authorize the Manager to provide assistance to RBC Bilat in respect of its collateral.
- 1.6 On February 4, 2025, on the motion of the Manager, the Court granted an Order amending the Amended Collateral Management Order (the “**Second Amended Collateral Management Order**”) expanding the definition of Management Property to include such assets or interests (regardless of whether such asset or interest is titled to a Pride Entity) as may be turned-over to the Lenders (or to the Manager as designee) from time to time

pursuant to orders of the Court. A copy of the Second Amended Collateral Management Order is attached hereto as **Appendix “A”**.

- 1.7 The Manager previously served and filed with this Court the First Report of the Manager dated January 30, 2025 (the “**First Report**”). Further information about the CCAA Proceedings, its background and copies of materials filed with the Court are available on the Monitor’s website at: <https://documentcentre.ey.com/#!/detail-engmt?eid=589>.

2.0 TERMS OF REFERENCE AND DISCLAIMER

- 2.1 In preparing this report (the “**Second Report**”), the Manager has relied upon unaudited financial information, books and records and other documents provided by and discussions with management of the Pride and the Monitor, as well as on information and reports provided by consultants, agents, and other third-party service providers engaged by the Manager (the “**Information**”).
- 2.2 The Manager has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Manager has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CASs**”) pursuant to the Chartered Professional Accountants Canada Handbook, and accordingly, the Manager expresses no opinion or other form of assurance contemplated under CASs in respect of the Information.
- 2.3 This Second Report has been prepared for the purposes described below and to assist the Court in making a determination of whether to approve the relief sought described below.

Accordingly, the reader is cautioned that this Second Report may not be appropriate for any other purpose. The Manager will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Second Report different than the provisions of this paragraph.

- 2.4 Unless otherwise stated, all monetary amounts contained in this Second Report are expressed in Canadian dollars.

3.0 PURPOSE

- 3.1 The purpose of this Second Report is to provide the Court with information and, where applicable, the Manager's views on:

- (i) the status of managing and realizing on Management Property;
- (ii) the activities of the Manager;
- (iii) the Manager's activities remaining to conclude and bring these proceedings to an end (the "**Remaining Activities**");
- (iv) the receipts and disbursements of the Manager for the period of October 17, 2024 to October 22, 2025;
- (v) the Manager's motion for two orders:
 - (a) an order in respect of certain leased vehicles (the "**I-Way Turn-Over Order**");

1. directing 2834021 Ontario Inc., I-Way Transport Inc., I-Way Logistics Inc., Wings Freightway Inc., and Balwant Singh Samra (collectively, the “**I-Way Parties**”) to turn-over possession of the I-Way Leased Vehicles (as defined below) and the New Tires (as defined below) to the Manager forthwith and to fully cooperate with the Manager to facilitate such orderly transfer; and
 2. awarding costs of the Manager’s Motion for the I-Way Turn-Over Order as against the I-Way Parties, and
- (b) an order in respect of the Manager’s fees and activities (the “**Ancillary Order**”):
1. approving the First Report and this Second Report (collectively, the “**Manager’s Reports**”), and the activities and conduct of the Manager including as described herein; and
 2. approving the fees and disbursements of the Manager and its counsel, Cassels Brock & Blackwell LLP (“**Cassels**”), for the periods identified in the Ancillary Order; and
- (vi) the Manager’s conclusions and recommendations in connection with the foregoing, where applicable.

4.0 MANAGER UPDATES

4.1 Capitalized terms used and not otherwise defined in this section have meanings ascribed thereto in the Second Amended Collateral Management Order.

Turn-over

4.2 Since the Appointment Date, the Manager has:

- (i) retrieved approximately 750 vehicles from Pride Entities' lots and third party locations;
- (ii) facilitated the turn-over of approximately 1,900 Leasebooks to Integrated Financial Technologies Inc. ("IFT"), the replacement lease servicer engaged by the Manager; and
- (iii) received payment from the Pride Entities or the Monitor in respect of approximately 250 VINs, representing Management Property sold or otherwise realized upon during the CCAA Proceedings by the Applicants.

4.3 As noted in the First Report, the Manager has vigilantly complied with the prescribed timeframes under the Recourse Lender Turn-Over Order to retrieve Management Property and has responded promptly to updates in turn-over information provided by the Pride Entities and the Monitor.

4.4 Despite this compliance, in several instances the Pride Entities did not provide turn-over information until after the deadlines set out in the Recourse Lender Turn-Over Order (the "**Turn-Over Outside Dates**"). Examples include:

- (i) non-Multiple Collateral Vehicles made available for pickup only after December 24, 2024 and January 17, 2025, well past the inventory Turn-Over Outside Date of December 17, 2024; and
- (ii) despite extensive follow-up by the Manager, only partial information for the first round of Leasebook turn-overs was provided in the form of lease data tapes on November 6, 2024, just nine days prior to the Turn-Over Outside Date of November 15, 2024. Critical information required by IFT for lease servicing was not made available until December 16, 2024. Furthermore, approximately 300 additional Leasebooks were identified and provided by the Pride Entities for transition between January and September 2025.

4.5 Where turn-over information was not provided by the Pride Entities with sufficient and reasonable lead time in the context of the prescribed timeframes, the Manager pre-arranged with the Monitor an extension of turn-over deadlines, and such limited extensions were agreed to by the Monitor and adhered to by the Manager.

Title Diligence

4.6 Where possible, the Manager has taken steps to confirm the Pride Entities' ownership of Management Property prior to realization, including reviewing ownership documents provided by Pride. However, a number of supporting ownership documents provided by the Pride Entities were outdated, and the Manager subsequently determined that the assets were not owned by Pride. As a result, the Manager had to devote significant time and effort to reverse sale transactions already put in place and/or return the Inventory or Leasebook to the appropriate party.

- 4.7 To date, the Manager has identified approximately 40 assets that were turned-over by the Pride Entities in error, including: (i) vehicles that should have been turned-over to other financiers in accordance with the Recourse Lender Turn-Over Order; (ii) vehicles not owned by Pride; (iii) leases retained on Pride's books despite the fact that the underlying vehicles were never purchased by Pride; and (iv) leases that had already been bought out by lessees, where the proceeds were not remitted to the Syndicate Lenders nor reported by Pride.
- 4.8 Pride has been unable to provide title or other ownership documentation for several hundred assets turned over. Where Pride was able to produce documents, they often took several months to provide. Without such documentation, the Manager could not verify Pride's ownership of the assets turned over. To address Pride's record deficiencies, the Manager has submitted over 900 information requests to government authorities in Canada and the United States to verify ownership records. This process can take several months depending on the jurisdiction. As a result, the Manager has been substantially delayed in both sales¹ and repossession efforts, neither of which could be conducted without such verification, and has consequently been forced to bear significantly increased professional fees and holding costs associated with the unverified Management Property, to the detriment of stakeholders. As of the date of this Second Report, ownership confirmation for over 100 VINs remains outstanding.
- 4.9 In 13 instances, where the Pride Entities were unable to provide ownership documents or identify the U.S. state in which the vehicles had been registered, the Manager's only option

¹ Other than as described below at paragraph 4.9.

was to rely on a notarized statement from the Pride Entities attesting to their ownership of the assets. In one such instance, a vehicle subject to a sworn statement was subsequently determined to be a stolen unit not owned by the Pride Entities and the sale transaction needed to be reversed.

Lien Discharges

- 4.10 The Second Amended Collateral Management Order authorizes the Manager to convey Management Property free and clear of any Claims and Encumbrances. In preparing to sell Management Property, the Manager has identified numerous stale-dated PPSA registrations and liens under provincial or state legislation equivalent to the *Repair and Storage Liens Act* (Ontario) (“RSLA”) on Management Property. The Manager has incurred additional costs to attempt to verify and resolve third party liens related to Pride’s deficient records.
- 4.11 For vehicles registered to a Canadian-incorporated Pride Entity, upon the sale of Management Property, the Manager instructed Cassels to conduct lien searches in Ontario and the jurisdiction in which the property was retrieved, and to discharge any liens identified. The Manager also directed Cassels to discharge any other liens known to the Manager. A Canada-wide PPSA search was not undertaken due to cost considerations.
- 4.12 Consistent with the Amended and Restated Lien Discharge Order dated December 13, 2024, when an RSLA lien is identified, 105% of the claimed amount is deposited with the Monitor for review by Pride and the Monitor. To date, approximately \$90,000 has been deposited with the Monitor. Where a third-party lien is identified, the Manager and Cassels have contacted the lienholder to request proof of their interest.

- 4.13 For vehicles titled to a U.S.-incorporated Pride Entity, liens are typically recorded directly on the asset's physical title; accordingly, a nationwide lien search has not been performed. However, the Manager understands that mechanics and repairers may also file UCC registrations against the debtor or with a local Department of Motor Vehicles, and that identifying such filings is a costly and cumbersome exercise and as such has not been undertaken at this time.
- 4.14 The Manager understands that certain other lenders, as well as Nations Capital, LLC, are facing similar challenges. At the request of the Manager and certain other financiers, the Pride Entities and the Monitor have agreed to consider implementing a claims process to address third party liens and to verify their validity in a coordinated manner. Pending implementation of such a process, the Manager will continue to withhold appropriate amounts to address identified potential claims.

Vehicle Sales

- 4.15 In October 2024, the Manager engaged five dealerships across Canada (the “**Dealership Network**”) to monetize vehicles located in Canada on a consignment basis. The Manager selected this approach in order to achieve a more controlled and value-maximizing disposition process. The Manager determined that consignment could improve value when compared to an auction process by: (i) leveraging the Dealership Network's expertise to develop tailored marketing strategies for each vehicle; (ii) avoiding the stigma associated with a liquidation sale; and (iii) utilizing the Dealership Network's ability to provide post-sale customer service and in certain cases, customer financing.

- 4.16 Remarketing proposals prepared by the Dealership Network are reviewed on a vehicle-by-vehicle basis in consultation with the Lenders and an appraiser engaged by the Manager, Century Services Corp. (“**Century**”).
- 4.17 To date, approximately 525 or 85% of the vehicles located in Canada have been sold, generating net proceeds of approximately \$34.8 million. The Manager continues to work with the Dealership Network to monetize the remaining Management Property and anticipates that the balance of the vehicles will be sold within the next two-to-three months.
- 4.18 In May 2025, a dispute arose between the Manager and Ryson Equipment Sales ULC (“**Ryson**”) – one of the dealers within the Dealership Network – regarding the calculation of payments owing under the dealer agreement. Ryson, the Manager and certain related parties entered into a confidential settlement agreement to resolve the dispute.
- 4.19 Approximately 130 VINs were turned over in the U.S. These units were geographically dispersed and accordingly, the Manager determined that engaging local dealerships would not have been an efficient means of monetizing the U.S. vehicles. Therefore, on October 30, 2024, the Manager engaged Tiger Capital Group, LLC (“**Tiger**”) to assist in conducting auction sales of the U.S. vehicles. Tiger was selected for its expertise and experience in assisting with insolvency matters. In total, Tiger conducted four auctions and successfully sold all vehicles located in the U.S., generating net proceeds of US\$4.3 million.
- 4.20 A significant portion of the vehicles transitioned to the Manager in both Canada and the U.S. were in poor condition. According to the Dealership Network and Tiger, this is attributable, at least in part, to Pride’s failure to properly maintain the vehicles, as well as the cannibalization of parts and deterioration of the vehicles due to prolonged storage prior

to turn-over, all of which had a substantial adverse impact on the net realized or realizable value of the vehicles, to the detriment of the stakeholders.

Lease Servicing

- 4.21 On December 19, 2024, IFT completed the transition of approximately 1,600 Leasebooks made available as of that date and assumed servicing responsibilities from the Pride Entities. Between January and September 2025, approximately 300 additional Leasebooks were made available by Pride and the Monitor and subsequently transitioned to IFT for servicing.
- 4.22 The transition of lease servicing from Pride to IFT uncovered several critical deficiencies:
- (i) the default rate on the Management Property leases was significantly higher than previously reported by the Monitor because many leases in default were not included in the Monitor's reporting. IFT reported a default rate of approximately 55% as at turn-over, compared to approximately 40% reflected in the Monitor's prior lease reporting;
 - (ii) Pride failed to repossess vehicles related to approximately 650 leases that were delinquent,² on average, for approximately one year at the time of turn-over, with the related accounts receivable accruing prior to and during the CCAA Proceedings. To date, IFT has successfully repossessed approximately 90 of the vehicles subject to such leases and continues efforts to recover the remaining Management Property related to defaulted leases, which unfortunately remain substantial;

² Leases are considered delinquent if the associated accounts receivable is aged over 90 days.

- (iii) Pride failed to recover at least 50 leased vehicles abandoned by lessees at repair shops or towing companies, both prior to and during the CCAA Proceedings. Instead of taking prompt action to secure possession and preserve value, Pride left the vehicles on third party lots, incurring substantial storage charges and, in some cases, damage from long term inactivity. In many instances, because of the time elapsed, the combined storage, towing, and repair costs required to recover the vehicles exceeded their current value. Accordingly, the Manager had no viable option other than to abandon such vehicles; and
- (iv) according to IFT, Pride's books and records relating to the lease portfolio have been poorly maintained, with missing or outdated customer contact information.

4.23 As at October 22, 2025, IFT had collected approximately \$23.5 million in lease proceeds and bailiffs have initiated repossession efforts for approximately 875 vehicles, of which 150³ vehicles have been successfully seized and repossessions for the balance are pending.

4.24 IFT arranges for repossessed assets to be transported to Ritchie Bros. Auctioneers ("**Ritchie**") for auction. Pursuant to the authority granted in the Collateral Manager Order and the Recourse Lender Turn-Over Order, Ritchie auctions the repossessed assets free and clear of any liens registered against the repossessed asset. Ritchie serves as the auctioneer for several creditors involved in these CCAA Proceedings and is well-versed in the challenges concerning titles and liens relating to the Pride vehicles.

³ Includes approximately 90 vehicles that were associated with accounts that were delinquent at the time of turn-over referred to in section 4.22(ii).

Missing VINs

- 4.25 As of the date of this Second Report, approximately 830 VINs identified as being subject to the Syndicate Lenders' priority claim and reported by the Monitor as "on Pride's records" as at July 31, 2024 had not been made available to the Manager (the "**Missing VINs**"). The Missing VINs include approximately 170 VINs specifically financed by the Syndicate Lenders with an outstanding principal balance of approximately \$17.5 million.
- 4.26 Based on information provided by the Monitor and the Pride Entities, of the 830 Missing VINs:
- (i) approximately 200 of these VINs were included in error, due to issues such as typographical errors (i.e. the VIN listed does not exist) and the inadvertent inclusion of assets not associated with a VIN;
 - (ii) approximately 500 VINs are no longer in the possession of the Pride Entities for reasons attributed by the Pride Entities to include, but not be limited to: (a) the sale of such vehicles by the Pride Entities prior to the commencement of the CCAA Proceedings without remitting proceeds to the Syndicate Lenders, where required; (b) the Pride Entities never having purchased vehicles that were specifically financed by the Syndicate Lenders⁴; and (c) the cancellation or buyout of customers' leases by the Pride Entities without repayment of proceeds to the Syndicate Lenders, where required; and

⁴ According to the Syndicate Agent, Pride had confirmed that the vehicles in question had been purchased at the time of financing.

(iii) the Monitor has not yet been able to determine why the Pride Entities are unable to locate and turn-over approximately 130 VINs.

4.27 On November 7, 2024, Cassels sent a letter to the Monitor and the Pride Entities (the “**Request for Information**”) requesting information regarding, among other matters, the Missing VINs. The letter included a request for supporting documents such as bills of sale, proof of lease payouts, and other transaction-level records as evidence of the assertions concerning the Missing VINs made above.

4.28 On November 28, 2024, Thornton Grout Finnigan LLP (“**TGF**”), counsel to the Pride Entities, responded to the Request for Information with a list of reasons, compiled with the assistance of the Monitor, setting out the Pride Entities’ position on why certain Missing VINs could not be turned over. No supporting documentation or accounting of proceeds from any Missing VINs was provided. Copies of the Request for Information and TGF’s response are attached hereto as **Appendix “B”**.

4.29 The Manager is concerned about, among other things, the: (i) significant number of assets that cannot be located, despite being on Pride’s records as of July 31, 2024; (ii) the failure to provide documentation and accounting to demonstrate that assets asserted to have been sold prior to the CCAA Proceedings were subject to bona fide transactions to third parties conducted at fair value; and (iii) given the passage of time, the risk that the ongoing wind-down of the Pride Entities will result in the loss of knowledge regarding the whereabouts of the Missing VINs.

4.30 The Manager’s concerns are heightened by the fact that as recently as September 2025, after repeated inquiries from the Lenders, Pride acknowledged that additional Management

Property was located on a former Pride lot that is now in the hands of the purchaser of the Pride Group Logistics Ltd (“PGL”) assets. Notably, these units had previously been reported by Pride as not in its possession. The vehicles were subject to lease agreements between RBC Bilat and PGL. The Manager understands that neither the Monitor nor Pride has yet responded to RBC Bilat’s demands for payment of outstanding lease arrears arising from the use of these vehicles from the commencement of the CCAA Proceedings up to the date of turn-over.

- 4.31 The Manager has repeatedly requested that the Monitor and Pride address the Missing VINs, including identifying instances where ownership search results conflict with explanations provided by Pride. Despite these efforts, and the significant amount of time elapsed, requested documentation with respect to substantially all Missing VINs has not been provided by Pride or the Monitor.
- 4.32 Following an in-person meeting with the Monitor on August 7, 2025, the Manager sent follow-up emails regarding the outstanding requests, reiterating the importance of obtaining supporting documentation and asking that such concerns be taken into account when determining documentation preservation measures. While the Monitor has acknowledged the Manager’s requests and undertook to provide a response, no such information has been delivered to date.
- 4.33 The Manager has been in discussions with the Monitor regarding the wind-down of the Pride Entities. The Manager understands that the principal remaining activities of the Pride Entities involving Management Property require Pride and/or the Monitor, as applicable and without limitation, to:

- (i) provide responses with regard to the Missing VINs and missing documentation;
- (ii) conduct a claims process to settle any RSLA or similar liens;
- (iii) register the Pride Entities with certain provinces to properly remit PST. At present, the Manager has set aside PST collected in respect of Management Property, as the Pride Entities have not yet registered as a remitting party; and
- (iv) remit and account for any proceeds from the disposition of vehicles and lease collections related to Management Property that are held by the Pride Entities or in the Monitor's trust accounts.

5.0 MANAGER'S EFFORTS TO RECOVER I-WAY LEASED VEHICLES

Lease Transition and I-Way Defaults

- 5.1 Pursuant to the Recourse Lender Turn-Over Order and the Second Amended Collateral Management Order, TPine Leasing Capital Corporation ("TPine") turned-over Management Property Leasebooks to the Manager. Although the relevant leases remain in TPine's name, the Manager administers the leases and related assets through IFT. The Court-ordered mandate of the Manager includes the administration of leases for hundreds of vehicles.
- 5.2 Notwithstanding the efforts of IFT and the Manager, certain lessees have not paid the amounts due under the leases, nor have they cooperated in the return of the leased vehicles.

In many cases, the lessees have refused to pay any amounts but continue to use the leased vehicles. One such example are leases involving the I-Way Parties.

- 5.3 The transitioned TPine leases include 20 leases covering a total of 47 VINs with a group of companies including Wings Freightway Inc., I-Way Transport Inc., and 2834021 Ontario Inc. (the “**I-Way Lessees**”, each lease agreement being an “**I-Way Lease**”). The companies share a registered office, have the same directors and in some cases, have cross guaranteed the leases. The I-Way Leases and applicable VINs are detailed in **Appendix “E”** (the “**I-Way Leased Vehicles**”). Pride registered PPSA financing statements against each of the I-Way Leased Vehicles.
- 5.4 The I-Way Leases are materially the same. A sample I-Way Lease along with related schedules, guarantees and transaction documents from each of the I-Way Lessees is attached hereto as **Appendix “F”**. Upon any lessee default, the I-Way Leases entitle the lessor to repossess the I-Way Leased Vehicles, terminate the leases, and accelerate unpaid amounts due and to become due during the term, to be immediately due and payable. The leases provide that the I-Way Lessees do not have any rights, title or interest in the I-Way Leased Vehicles until the I-Way Lease expires and they repay all amounts owing under the relevant lease.
- 5.5 The I-Way Lessees are in default for non-payment. In many cases arrears have accrued for over 250 days. Meanwhile, the I-Way Lessees remain in control of, and accordingly have continued to benefit from the use of many of the I-Way Leased Vehicles. As of October 31, 2025, the amount of unpaid arrears under the I-Way Leases was approximately \$1.6

million excluding accrued interest on unpaid amounts and future amounts owing under the leases (which have been accelerated as further described below).

Recovery Attempts and VK Law Correspondence

- 5.6 Between February and September 2025, IFT made numerous attempts to contact the I-Way Lessees concerning their delinquent accounts. IFT also sought to repossess the I-Way Leased Vehicles through its bailiff network.
- 5.7 By letters dated between April 14, 2025, and July 17, 2025, IFT formally demanded payment from the I-Way Lessees in respect of the arrears under the I-Way Leases.
- 5.8 In August 2025, the Manager received 45 letters, one for each I-Way Leased Vehicle, from legal counsel for the I-Way Lessees, Vishwanths & Kumar Professional Corporation (“**VK Law**”). The letters from VK Law (the “**VK Letters**”) demanded that IFT cease repossession efforts and requested the Manager provide documentation evidencing the Manager’s and IFT’s legal authority to demand payment of arrears. The VK Letters were substantially the same, and a sample is attached hereto as **Appendix “G”**.
- 5.9 Subsequent to issuing the 45 letters, the I-Way Lessees issued correspondence dated August 19, 2025 and August 21, 2025 that asserted that TPine has a “positive obligation” to provide a new truck “annually, save where demonstrable issues of availability arise” and that the Pride Entities are obligated to maintain the existing trucks. The I-Way Lessees allege that TPine has defaulted on both obligations and such breaches entitle them to set-off the damages as against the arrears owing under the I-Way Leases. VK Law attempted to support these allegations by providing an unsigned agreement (the “**Unsigned PFS**

Agreement”) dated March 2, 2022, between one of the I-Way Lessees and Pride Fleet Solutions Inc. The emails dated August 19, 2025 and August 21, 2025 as well as the Unsigned PFS Agreement are attached hereto as **Appendix “H”**.

- 5.10 The Unsigned PFS Agreement concerns a VIN that is not part of the Management Property and refers to a Pride Entity that is not party to the I-Way Leases. The allegations regarding set-offs or other rights are inconsistent with the terms of the I-Way Leases. Each I-Way Lease contains an ‘entire agreement’ clause and a ‘no set-off’ provision. Similarly, each I-Way Lease provides that vehicle maintenance is the sole responsibility of the relevant I-Way Lessee.
- 5.11 The Manager unsuccessfully attempted to resolve these issues with VK Law through September and October 2025, in many cases through without prejudice correspondence. Concurrently, IFT continued to make efforts to collect the arrears and recover the I-Way Leased Vehicles. On September 23, 2025, a bailiff retained by IFT successfully recovered one I-Way Leased Vehicle in Manitoba.
- 5.12 On September 24, 2025, VK Law delivered a letter threatening to sue for trespass if further recovery attempts were made, requesting IFT cease recovery and repossession efforts, and disputing the arrears. By way of a letter dated September 26, 2025, Cassels advised that the Manager would continue all recovery efforts and would be bringing a motion for the return of all I-Way Leased Vehicles unless a satisfactory turn-over was agreed to by September 30, 2025.

- 5.13 In correspondence on September 30, 2025, VK Law continued to demand documents already provided, but also proposed a turn-over protocol which required that the Manager cease enforcement actions by its bailiffs and other agents.
- 5.14 In a letter dated October 2, 2025, the Manager confirmed that it would agree to pause repossession efforts and accept an orderly turn-over of the I-Way Leased Vehicles, provided the I-Way Leased Vehicles were made available by no later than October 9, 2025, and such a turn-over would be without prejudice to the Manager's rights to recover outstanding amounts owed under the I-Way Leases. The correspondence between Cassels and VK Law occurring between September 24, 2025 and October 2, 2025, are attached hereto as **Appendix "I"**. The I-Way Leased Vehicles were not made available for turn-over by October 9, 2025.
- 5.15 On October 30, 2025, counsel to the Manager wrote to VK Law informing the I-Way Parties of the Manager's scheduled November 20, 2025 hearing date and shared the proposed I-Way Turn-Over Order. VK Law responded at 4:30pm that evening providing the Manager a list of 25 units "available for pickup" on October 31, 2025, with the remaining units to be made available by November 7, 2025. VK Law's response and appending schedule listing the 25 units is attached hereto as **Appendix "J"**.
- 5.16 The 25 units were not available for pickup as they were located at repair shops that refused to release the units without resolving unpaid invoices. As of the date of this Second Report, the Manager has received invoices totalling over \$300,000, exclusive of ongoing fees accruing associated with storage of the vehicles. The invoices from the repair shops are

summarized in the table attached hereto as **Appendix “K”**, with all repair shop invoices attached as **Appendix “L”**.

- 5.17 Upon further diligence, the Manager has learned that at least five of the 25 I-Way Leased Vehicles made “available for pick up” had recently installed new tires (such tires being, the “**New Tires**”). The unpaid costs allegedly benefit from a RSLA lien over the I-Way Leased Vehicles. The repair shops informed the Manager that approximately one week prior to October 31, 2025, the vehicles were dropped off at the same repair shops by the I-Way Parties, without the New Tires. The repair shops are now requesting payment from the Manager for the New Tires (which are no longer on the vehicles) and other work before releasing the I-Way Leased Vehicles.
- 5.18 On November 3, 2025, counsel to the Manager again wrote to VK Law expressing concerns that the 25 trucks identified as “available for pick up” were, in fact, located at third-party repair shops and subject to repair liens. The Manager had not authorized any repairs and requested immediate particulars regarding the timing of drop-offs, the nature of the work performed, the identity of the authorizing party, and all related documentation. The Manager also requested that similar particulars be provided for the remaining trucks expected to be disclosed by November 7, 2025. VK Law did not respond.
- 5.19 On November 5, 2025 and November 6, 2025, counsel to the Manager wrote to VK Law providing copies of the invoices obtained from certain of the repair shops where the 25 trucks identified as “available for pick up” were located. Counsel to the Manager requested whether the work reflected in the invoices had been authorized by the I-Way Parties or VK Law and sought the particulars previously requested on November 3, 2025. In response,

VK Law advised that the communication had been forwarded to their clients and that they were awaiting response. No response was received.

5.20 The Manager and its agents have visited the repair shops to assess the condition of the vehicles and are in the process of determining whether the value of the vehicles warrants immediate payment of the invoices with a view of facilitating immediate turn-over, notwithstanding that the Manager had not approved the repairs. To date, two of the 25 vehicles have been retrieved by the Manager, with associated invoices paid.

5.21 The replacement of the vehicle's New Tires with old tires materially impacts the value of the I-Way Leased Vehicles involved. As part of the I-Way Turn-Over Order, the Manager is seeking the turn-over of the New Tires, which, along with the vehicles they were previously attached to, constitute Management Property.

Next Steps Necessary for I-Way Leased Vehicle Recovery

5.22 To fulfil its Court-ordered mandate, the Manager requires immediate access to the I-Way Leased Vehicles and New Tires to avoid further diminution of value and to maximize the recovery for the benefit of stakeholders. Accordingly, the Manager is of the view that the I-Way Turn-Over Order is necessary and appropriate in all these circumstances.

5.23 In addition to the recovery of the vehicles under the I-Way Leases, the Manager intends to commence proceedings for damages against the I-Way Parties. In accordance with TPine's rights under the I-Way Leases the Manager gave notice on October 14, 2025 and October 15, 2025 that it was exercising the right to demand future payments, meaning that the full amount owing is now approximately \$8.1 million, comprising of arrears and accelerated

amounts owing to the end of the lease terms. The Manager intends to claim for the arrears, accelerated amounts to end of term, accrued interest and enforcement charges recoverable under the I-Way Leases, including for any damage or diminution in value resulting from the bad faith acts of the I-Way Parties. The I-Way Parties' payment defenses may be asserted in such litigation.

6.0 RECEIPTS AND DISBURSEMENTS

6.1 The receipts and disbursements of the Manager for the period October 17, 2024, to October 22, 2025 (the "**Reporting Period**"), is set out below:

CAD \$000's	
Receipts	
Sales Receipts	48,096
Lease Collections	23,501
Proceeds from The Monitor	8,379
Deposit Interest	222
Other	341
Total Receipts	\$80,539
Disbursements	
Professional Fees	(6,181)
Tax Remittance	(4,171)
Insurance	(1,627)
Lease Servicing Costs	(1,283)
Payments to Dealer Network	(642)
Other	(287)
Total Disbursements	(\$14,190)
Interim Distributions	(\$55,600)
Ending Cash as at October 22, 2025	\$10,749
Unresolved MCVs	(3,260)
Unresolved Third-Party Claims	(1,670)
Cash on Hand as at October 22, 2025	\$5,819

6.2 The Manager notes the following with respect to the receipts and disbursements during the Reporting Period:

Receipts

- (i) sales receipts primarily consist of net proceeds from the sale of vehicles through the Dealership Network and Tiger;
- (ii) lease collections represent funds received from IFT in respect of lease portfolio servicing, including proceeds of repossessed vehicles;
- (iii) proceeds from the Monitor are amounts collected by the Pride Entities and passed on in accordance with the Governance Protocols relating to Management Property;

Disbursements:

- (iv) disbursements primarily comprise payments of professional fees, remittances of sales tax, and other operating costs incurred in connection with realizing on Management Property;
- (v) pursuant to the Second Amended Collateral Management Order, the Manager has been authorized to: distribute (a) proceeds from Management Property to the relevant Lenders; (b) proceeds from Multiple Collateral Vehicles in accordance with the relevant MCV Turn-Over Resolutions; and (c) proceeds from any PCVs in accordance with a final determination of entitlement; and
- (vi) as of the date of this Second Report, interim distributions totaling \$55.6 million have been made to the relevant Lenders.

6.3 The Manager has set aside approximately \$5.0 million of net proceeds in respect of unresolved⁵ Multiple Collateral Vehicles and identified unresolved third-party interest claims.

6.4 The Manager anticipates that the remaining cash-on-hand balance of approximately \$5.8 million will provide sufficient liquidity to settle outstanding or accrued obligations and to facilitate the continuation of its Remaining Activities.

7.0 APPROVAL OF FEES AND DISBURSEMENTS

7.1 Pursuant to paragraph 23 of the Second Amended Collateral Management Order, the Manager and its legal counsel are to be paid their reasonable fees and disbursements, in each case at their standard rates and charges as part of the costs of these proceedings. Pursuant to paragraph 24 of the Second Amended Collateral Management Order, the Manager and its legal counsel shall pass their accounts from time to time, and for this purpose, the accounts of the Manager and Cassels are referred to the Court.

7.2 Attached hereto as **Appendix “C”** is the Affidavit of Douglas McIntosh sworn November 10, 2025 (the “**A&M Fee Affidavit**”), attesting to the fees and disbursements of the Manager for the period from the October 17, 2024 to September 13, 2025, in the aggregate amount of \$3,601,136.49, comprised of fees of \$3,128,406.50, disbursements of \$58,439.91 and HST of \$414,290.08.

⁵ The Manager understands that the Syndicate Lenders and RBC Securitization have come to an agreement in principle as to entitlement concerning these proceeds.

7.3 Attached hereto as **Appendix “D”** is the Affidavit of Colin Pendrith sworn November 10, 2025 (the “**Cassels Fee Affidavit**” and together with the A&M Fee Affidavit, the “**Fee Affidavits**”), attesting to the fees and disbursements for the period from the August 2, 2024 to September 30, 2025, in the aggregate amount of \$2,610,401.49, comprised of fees of \$2,099,273.65, disbursements of \$216,897.28 and HST of \$294,190.56.

7.4 The Manager confirms that the fees and disbursements set out in the Cassels invoices appended to the Cassels Fee Affidavit relate to advice sought by the Manager and assistance provided by Cassels in respect of these proceedings and that, in the Manager’s view, Cassels’ fees and disbursements are properly chargeable, reasonable and appropriate.

7.5 It is the Manager’s view that the fees and disbursements of the Manager and Cassels, as described in the Fee Affidavits, are reasonable and appropriate in the circumstances, having regard to the scope of activity undertaken by the Manager in these proceedings, and have been validly incurred in accordance with the provisions of the Second Amended Collateral Management Order.

8.0 ACTIVITIES OF THE MANAGER

8.1 The activities of the Manager have included the following, in addition to the other matters discussed in this Second Report:

- (i) engaging in discussions with the Pride Entities, the Monitor and their respective legal counsel regarding these CCAA Proceedings, including

information requests in respect of the transition of Management Property to the Manager;

- (ii) corresponding and communicating with the relevant Lenders and their counsel on file matters;
- (iii) attending various Court hearings related to the CCAA Proceedings;
- (iv) working with the Monitor to update Schedule B and Schedule D of the Second Amended Collateral Management Order, as required;
- (v) engaging Cassels as independent counsel;
- (vi) obtaining insurance coverage for inventoried Management Property;
- (vii) opening USD and CAD trust bank accounts (the “**Bank Accounts**”) and monitoring the Bank Accounts;
- (viii) engaging the Dealership Network and Tiger with regards to monetization of vehicles and holding extensive discussions with the same;
- (ix) working with the Dealership Network, Tiger and the Pride Entities to collect Management Property from Pride Entities’ lots;
- (x) engaging IFT to service any leases transitioned to the Manager;
- (xi) working with IFT and Pride to ensure all lessees direct lease payments to the Manager, including issuance of notices of assignment (through IFT), and obtaining documents and information essential for servicing the leases;

- (xii) engaging Century as the Manager's appraiser of Management Property;
- (xiii) reviewing reports prepared by the Manager's agents on vehicle condition, sales, lease collections, and repossessions, as they relate to the monetization of Management Property;
- (xiv) engaging in settlement discussions with lessees in respect of leases not in good standing and negotiating buy out requests;
- (xv) obtaining, confirming and transferring ownership as well as working with Cassels to discharge applicable liens upon the sale of Management Property;
- (xvi) reviewing third-party liens and interest claims on Management Property, including contacting various third parties to confirm their interest in Management Property;
- (xvii) completing statutory and administrative duties and filings, including applicable CRA tax filings on behalf of the Pride Entities as it relates to Management Property and working with the Monitor and the Pride Entities to report and remit taxes as it relates to QST and US taxes;
- (xviii) corresponding and meeting with the Monitor and Pride Entities regarding the Missing VINs;
- (xix) making interim distributions to the relevant Lenders pursuant to the Second Amended Collateral Management Order;

- (xx) claiming on behalf of, and in the name of, the Applicants, insurance refunds and tax refunds, rebates or other amounts to which the Applicants are entitled with respect to Management Property;
- (xxi) answering inquiries to the Manager with respect to Management Property;
and
- (xxii) preparing the First Report and this Second Report.

9.0 REMAINING ACTIVITIES

9.1 The expected Remaining Activities of the Manager to complete the realization of Management Property include the following:

- (i) continuing to work with the Monitor and Pride Entities to locate the Missing VINs and transition Management Property with the associated necessary documentation;
- (ii) continuing to realize on inventoried vehicles with the assistance of the Dealership Network and Ritchie;
- (iii) continuing to oversee IFT's lease servicing efforts and considering potential alternatives to realize on the lease portfolio;
- (iv) if applicable, returning to Court for directions in respect of: (a) the resolution of disputed lease obligations; (b) Missing VINs; and (c) any unresolved lien or title matters;

- (v) distributing proceeds in accordance with the Second Amended Collateral Management Order; and
- (vi) completing statutory and administrative duties and filings.

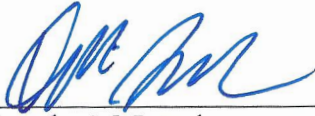
10.0 CONCLUSIONS AND RECOMMENDATIONS

- 10.1 Based on the foregoing, the Manager respectfully requests that the Court make the orders granting the relief sought in the Manager's Notice of Motion and as described in section 3.0 of this Second Report.

All of which is respectfully submitted to the Court this 10th day of November 2025.

**Alvarez & Marsal Canada Inc.,
in its capacity as Court-Appointed Manager over
certain property of Pride Group Holdings Inc. and certain affiliates
and not in its personal or corporate capacity.**

Per:



Douglas McIntosh
President

SCHEDULE “A”

A. APPLICANTS

Operating Entities

Canadian Operating Entities

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

U.S. Operating Entities

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

Real Estate Holding Companies

Canadian Real Estate Holding Companies

- 2029909 ONTARIO INC.
- 2076401 ONTARIO INC.
- 1450 MEYERSIDE HOLDING INC.
- 933 HELENA HOLDINGS INC.
- 30530 MATSQUI ABBOTSFORD HOLDING INC.
- 2863283 ONTARIO INC.
- 2837229 ONTARIO INC.
- 2108184 ALBERTA LTD.
- 12944154 CANADA INC.
- 13184633 CANADA INC.
- 13761983 CANADA INC.
- 102098416 SASKATCHEWAN LTD.
- 177A STREET SURREY HOLDING INC.

- 52 STREET EDMONTON HOLDING INC.
- 84 ST SE CALGARY HOLDINGS INC.
- 68TH STREET SASKATOON HOLDING INC.
- 3000 PITFIELD HOLDING INC.
- BLOCK 6 HOLDING INC.

U.S. Real Estate Holding Companies

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

Other Holding Companies

Other Canadian Holding Companies

- 2692293 ONTARIO LTD.
- 2043002 ONTARIO INC.
- PRIDE GROUP HOLDINGS INC.
- 2554193 ONTARIO INC.

- 2554194 ONTARIO INC.
- PRIDE GROUP REAL ESTATE HOLDINGS INC.
- 1000089137 ONTARIO INC.

Other U.S. Holding Companies

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

B. LIMITED PARTNERSHIPS

U.S. Limited Partnerships

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

C. ADDITIONAL STAY PARTIES

Canadian Additional Stay Parties

- 2500819 ONTARIO INC.

U.S. and Other Additional Stay Parties

- PERGOLA HOLDINGS, CORP.

APPENDIX “C”



TPine Leasing Capital Corporation

LEASE AGREEMENT

						Lease Number 30114	
LESSEE				CONTACT			
CO-LESSEE				TELEPHONE			
CO-LESSEE				EMAIL			
BILLING ADDRESS		CITY AND PROVINCE		POSTAL CODE			
ASSET DESCRIPTION		2022 UTILITY REEFER Bearing S No. 1UYVS2531N6446114, THERMOKING S NO C-600 6001328818					
EQUIPMENT LOCATION							
TERM	EXECUTION DATE	ADVANCE PAYMENT	MONTHLY PAYMENT AMOUNT		GST/HST/QST	TOTAL MONTHLY LEASE AMOUNT	END OF TERM OPTIONS
60 months	02/04/2021	\$14,250.00 + Applicable Taxes	RENTAL	\$1,776.00	\$240.87	\$2,093.72	\$10.00
			GAP	\$76.85			See Schedule A for more options
PRE-AUTHORIZED DEBIT ("PAD")		Lessor is hereby authorized to deduct the monthly recurring Lease Payments set out above, plus any other amounts due under this Lease Agreement, on the <u>first day</u> of each month from the bank account as outlined on the attached sample cheque. LESSEE HEREBY WAIVES THE RIGHT TO RECEIVE PRE NOTIFICATION OF THE ADDITIONAL AMOUNTS TO BE WITHDRAWN HEREUNDER. The terms of this authorization are further supplemented in section 6 hereof. This PAD is for business purposes.					
1st		Authorized Cheque Signer(s)		Title(s)			

PLEASE ATTACH AN UNSIGNED SAMPLE CHEQUE

TERMS AND CONDITIONS

Lessor hereby leases to Lessee and Lessee leases from Lessor the personal property listed and described herewith ("Equipment") under the terms and conditions set forth herein. Lessee warrants that the Equipment is being leased and will be used for business and commercial purposes only. This Contract ("Lease Agreement") shall not become binding on Lessor until accepted in writing by Lessor as evidenced by the signature of a duly authorized representative of Lessor. Lessee acknowledges that the Total Monthly Lease Amount contains Equipment charges only.

1. NON-CANCELLABLE CONTRACT. This Lease Agreement cannot be terminated during the term set forth ("Term") except as expressly provided herein.
2. LEASE PAYMENTS. Lessee shall pay to Lessor on the first day of each month of the Term the Total Monthly Lease Amount (the "Lease Payments") set forth above commencing on the Lease Commencement Date specified above and continuing for the Term. Lessee will not assert against Lessor any claim by way of abatement, defence, setoff, compensation or counterclaim. The Term shall commence on the first day of the month following equipment delivery and rent shall be pro-rated from the date of equipment delivery until the Term commences.
3. ADVANCE PAYMENTS. The Advance Payments as set forth above, shall be paid to Lessor by Lessee on the Lease Commencement Date specified above and shall be applied to the cost of the Equipment as a down payment. Lessee acknowledges and agrees that the Advance Payment does not constitute equity in the Equipment and further acknowledges that the Lease Payments have been calculated on the basis that the Advance Payments have offset the equipment cost.
4. LOCATION AND USE. The Equipment shall be located and used at the place designated herein identified as the above noted billing address unless notified otherwise and locations as specified in the attached schedule(s), and shall not be moved without the prior written consent of Lessor. Notwithstanding the foregoing, motor vehicles, trailers, or other goods of a type normally used in more than one jurisdiction, need not be kept at a specific location but shall at all times be under Lessee's control and shall not be domiciled outside Canada without prior written consent of the Lessor. Lessee shall at its own cost and expense keep the Equipment in good repair, condition and working order and furnish all parts and servicing required therefore. Lessee shall cause the Equipment to be maintained and operated carefully in compliance with manufacturer's recommendations and applicable laws and regulations present or future, by competent and duly qualified personnel only. Lessor may inspect the Equipment at any time upon reasonable prior notice to Lessee. Any improvements resulting from any accessions, attachments, additions, changes, modifications or other alterations to the Equipment shall immediately form part of the Equipment and become subject to this Lease Agreement. The Equipment shall remain as separately identifiable, personal and moveable property and shall not be affixed to real property, without the Lessor's prior written consent. If the Equipment is to be affixed to any real property, the Lessee acknowledges and agrees that the Lessor may file a notice of security interest against such real property and the Location of the Equipment as set out above shall be the address of such real property.
5. REPRESENTATIONS AND WARRANTIES. Lessee acknowledges that the vendor and/or manufacturer of the Equipment and the Equipment and its specifications have been selected by the Lessee for the purpose of the lease thereof to the Lessee under this Lease Agreement. Lessor makes no representation or warranty, express or implied, legal, statutory, customary or otherwise in respect to the Equipment, including but without limitation the merchantability, condition, design, operation or fitness for purpose of use thereof or its freedom from liens and encumbrances. If the Equipment is not properly installed, does not operate as intended by Lessee or as represented by the manufacturer or vendor, totally fails to function or perform so as to give rise to a fundamental breach or alleged fundamental breach with respect to the Equipment, or is unacceptable for any other reason whatsoever, Lessee shall claim only against such vendor or manufacturer under such warranties made available to Lessee and shall nevertheless unconditionally pay Lessor all Lease Payments and other amounts payable

hereunder without abatement, defense or set off. Lessor hereby assigns to Lessee for and during the applicable Term, the warranties, if any and if assignable, of the manufacturer with respect to the Equipment.

6. PRE-AUTHORIZED PAYMENT PLAN. It is a condition of this Lease that Lessee make the Lease Payments by PAD. Lessee may revoke its authorization at any time. Written notification must be received by Lessor at least 30 days prior to the next scheduled PAD date. Lessee has certain recourse rights if any PAD does not comply with this Lease Agreement, including the right to reimbursement for any PAD that is not authorized or consistent with this Lease Agreement. To obtain a sample cancellation form, reimbursement claim form or for more information on the right to cancel a PAD agreement and payor recourse rights, Lessee is directed to its financial institution or to www.cdnnpay.ca. Lessee agrees that termination of this authorization does not cancel or reduce its obligations under this Agreement. Lessee waives the right to receive prior notice of all other amounts to be debited and the dates on which such debits will be processed, as well as notice of further changes to such amounts or dates. Lessor may assign this authorization to any third party to whom it assigns its interest in this agreement. Any inquiries regarding the PAD can be directed to Lessor at the address noted above. The Lessee acknowledges and agrees that any fines, penalties, tickets, toll charges and the like, which the lessor receives as a result of their title to the Equipment, are for the account of the Lessee and may be debited by PAD from Lessee's account.

7. RETURN OF EQUIPMENT. At the end of the term of the Lease Agreement, provided that Lessee does not elect to purchase the Equipment or renew this Lease Agreement, Lessee shall, at its own risk and expense, immediately return the Equipment to Lessor, or its designated agent, in the same condition as when delivered, ordinary wear and tear excepted resulting from normal use thereof alone allowed and without any missing or broken components or accessories, at such locations as Lessor shall designate. If any item of Equipment is damaged or does not meet the standards set forth above for return condition of such Equipment, or if the Lessee fails to discharge Lessee's obligations set forth above with regard to any item of Equipment, Lessee shall pay to Lessor, immediately upon demand, the fair market value applicable to such item of Equipment.

8. RATE AND TAXES. Lessee shall comply with all governmental laws, regulations and orders relating to this Lease Agreement, the Equipment and its use and agrees to pay when due all license fees, assessments and all taxes, including but not limited to sales, goods and services, property, excise, and other taxes now or hereafter imposed by any federal, provincial, municipal or other taxing authority upon this Lease Agreement or and Equipment, or the purchase, ownership, delivery, renting, possession, use, operation and return thereof (but excluding income and capital taxes of Lessor). Any fees, taxes or other lawful charges paid by Lessor upon failure of Lessee to make such payments shall at Lessor's option become immediately due from Lessee to Lessor.

9. EQUIPMENT RISK AND INSURANCE. The Equipment shall be at the risk of the Lessee. Lessee shall obtain and maintain for the entire Term and any Renewal Period of this Lease Agreement, at its own expense, insurance against liability arising from damage to property of others and bodily injury or personal injury, and insurance against loss or damage to the Equipment in such amounts, in such form, and with such insurers shall be satisfactory to Lessor. Each insurance policy will name Lessor as additional insured and loss payee and all policies shall contain a clause requiring the insurer to give Lessor at least thirty (30) days' prior written notice of any alteration in the terms or cancellation of the policy. Lessee shall furnish a certificate, or other evidence satisfactory to Lessor, on or before the Lease Commencement Date.

10. ASSIGNMENT. Lessee shall not sell, assign, sublet, pledge, hypothecate or otherwise encumber or suffer a lien upon or against an interest in this Lease Agreement or the Equipment without the prior written consent of Lessor. In the event of an assignment, Lessee agrees to pay an assignment fee to Lessor of \$100.00 or Lessor's actual costs, whichever is greater. Lessor may assign this Lease Agreement at any time without notice to or consent of the Lessee. Lessee agrees to pay all Lease Payments hereunder unconditionally to any such assignee, without abatement, defense, set off, compensation or counterclaim. If required by assignee, Lessee shall make all Lease Payments directly to assignee and agrees to promptly execute and deliver such acknowledgements, agreements, all necessary documentation necessary to pre-authorize the Lease Payments automatically debited from Lessee's bank account and other instruments from time to time as may be requested by assignee, purchaser or secured party. Lessee agrees that it will not assert against any assignee any claims, defenses, setoffs, compensations, deductions or counterclaims it may now or hereafter be entitled to against Lessor and agrees not to terminate this Agreement due to any default on the part of the Lessor or Supplier whether or not arising hereunder. This assignment, sale and grant of security shall not relieve Lessor of its obligations to Lessee hereunder and Lessee agrees that this assignment shall not be construed as an assumption of such obligations by Assignee.

11. TITLE. Lessee shall have no right, title or interest in the Equipment other than, conditional upon Lessee's compliance with and fulfillment of the terms and conditions of this Agreement, the right to maintain possession and use of the Equipment for the full Term and any Renewal Period. Lessor may require plates or markings to be affixed to or placed on the Equipment indicating Lessor is the owner. Lessor and Lessee hereby confirm their intent that the Equipment shall always remain and be deemed moveable property, even though said Equipment may hereinafter become attached or affixed to realty.

12. DEFAULT. Lessee is in default under this Lease Agreement if: (i) Lessee fails to pay any Lease Payments or other amounts payable hereunder on the due date; (ii) Lessee fails to perform or observe any covenant, condition or agreement to be performed or observed hereunder; (iii) any representation or warranty made by Lessee herein or in any document or certificate furnished to Lessor in connection herewith or pursuant hereto is incorrect at any time in any material respect; (iv) Lessee becomes insolvent or bankrupt or makes an assignment for the benefit of creditors or consents to the appointment of a trustee or receiver, or a trustee or receiver is appointed for Lessee or for a substantial part of its property without its consent; or (v) Lessee shall suffer a material adverse change in its financial condition or operations. If a default occurs, Lessor in its absolute discretion may: (a) enter upon the premises where such Equipment is located and take immediate possession thereof, whether it is affixed to realty or not, and remove the same, without liability to Lessor for or by reason of such entry or taking of possession, and with or without terminating this Lease Agreement, sell, rent, or otherwise dispose of the same for such consideration and upon such terms and conditions as Lessor may reasonably deem fit and receive, hold and apply the same against any monies expressed to be payable from time to time by Lessee hereunder; (b) terminate this Lease Agreement; (c) declare the total amount or any portion thereof of unpaid Lease Payments and other amounts due and to become due hereunder for the Term immediately due and payable and by written notice to Lessee specifying a payment date not earlier than five (5) days from the date of such notice, require Lessee to pay to Lessor on the date specified in such notice, the sum of (i) any Lease Payments and other amounts due and unpaid, (ii) as a genuine pre-estimate of liquidated damages for loss of a bargain and not as a penalty, an amount equal to the present value of all Lease Payments payable to the expiration of the Term discounted at the rate of three per cent per annum, plus (iii) the Lessor's estimated residual value of the Equipment; (d) as a late charge, require the payment of interest at the rate of 24% per annum on any overdue payment until paid. No remedy referred to in this section is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity.

13. NOTICES. Any notices and demands require to be given herein shall be given to the parties in writing and by registered mail at the address herein set forth, or to such other address as the parties may hereafter substitute by written notice given in the manner prescribed in this section. Lessor and Lessee hereby agree that all documents, including this Lease Agreement, sent by facsimile or other means of electronic transmission to the other party shall be considered to be original documents.

14. FURTHER ASSURANCES. Lessee will promptly execute and deliver to Lessor such further documents and take such further action as Lessor may request in order to more effectively carry out the intent and purpose hereof. At Lessor's request, Lessee shall send Lessor its audited and/or unaudited financial statements within fourteen (14) days of such request.

15. CHARGES. Lessee shall pay to Lessor a late charge of ten dollars (\$10.00) for each month or part thereof for which Lease Payments or other sum payable hereunder shall be delinquent together with interest on any and all delinquent payments and amounts in default from the date thereof until paid in full at there rate of 24% per annum calculated monthly. Lessee further agrees to pay to Lessor a returned cheque or non-sufficient funds (NSF) charge in an amount equal to \$75.00 for the first occurrence and \$100.00 for any subsequent NSF, plus other amounts allowed by law. Lessee also agrees to pay as additional rent, reasonable administration charges as set out in Lessor's current schedule of charges from time to time. Lessee shall pay any and all charges and costs incurred by the Lessor in connections with the enforcement of its rights under this Lease Agreement, including reasonable legal expenses and expenses incurred in the repossession of the Equipment. Should Lessee fail to perform any obligation hereunder, Lessor may cause such obligation to be performed and the cost thereof together with interest thereon at 24% per annum shall be considered as an additional Lease Payment to be paid by Lessee.

16. CREDIT INVESTIGATION AND PRIVACY WAIVERS. We may receive from and disclose to any person or business entity including without limitation, any of our affiliates or credit reporting agencies, for any purpose, information about your accounts, credit application and credit experience and you authorizes any person or entity to release any information related to your accounts to us. This shall be a continuing authorization for all present and future disclosures of your account information.

17. GENERAL INDEMNITY. Lessee indemnifies and agrees to defend and hold Lessor, its officers, directors and employees, and any successors, assignee or secured party of Lessor, harmless from and against all claims, costs, expenses (including, but not limited to, legal fees), damages and liabilities of any nature whatsoever that may be imposed on, incurred by or asserted against an indemnified party with respect to any item of Equipment or its purchase, acceptance, delivery, ownership, leasing, possession, maintenance, use, operation or transportation, whether or not other parties are involved. The liability of Lessee to make indemnification payments shall, notwithstanding any expiration, cancellation or other termination (whether voluntary, as the result of a default or otherwise) of this Lease Agreement, continue to exist until such indemnity payments are irrevocably made in full by Lessee and received by Lessor. If any claim is made against

Lessee or Lessor, the party receiving notice of such claim shall promptly notify the other, but failure of the party receiving notice to so notify the other shall not relieve Lessee of any obligation hereunder.

18. LANGUAGE. The parties hereto agree that this document be written in the English language. Les parties aux présentes conviennent à ce que ce document soit rédigé en anglais.

19. WAIVER. No covenant or condition of this Lease Agreement can be waived except in writing by Lessor and any forbearance or indulgence by Lessor in any regard whatsoever shall not constitute a waiver of any covenant or conditions to be performed by Lessee to which the same may apply and, until complete performance by Lessee of said covenant or condition, Lessor shall be entitled to invoke any remedy available under this Lease Agreement or by law. No waiver by Lessor of any default shall constitute a waiver of any other default by Lessee or a waiver of Lessor's rights.

20. CO-LESSEES. Lessee and the Co-Lessee, if any, hereby agree that their respective liability for the payment and performance of obligations of the Lessee under this Lease Agreement shall be joint and several. Any reference to Lessee in this Lease Agreement shall be deemed to be a reference to the Co-Lessee, in any.

21. MISCELLANEOUS. This Lease Agreement shall be governed by the laws of the jurisdiction of which the Equipment was originally delivered to the Lessee. Time is of the essence with respect to this Lease Agreement. This Lease Agreement contains the whole of the agreement between the parties and there are no collateral agreements or conditions whatsoever relating to the Equipment or this Lease Agreement not specifically set forth or referred to herein and no modifications, amendments or variations shall be effective or binding unless agreed to in writing and properly executed by the parties. This Lease Agreement shall be binding upon and inure to the benefit of the parties hereto, their permitted successors and assigns. A facsimile copy of this Lease Agreement with facsimile signature(s) will be treated as an original and will be admissible as evidence of this Lease Agreement. Any provision of this Lease Agreement which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction. The Lessee acknowledges and agrees that (i) clerical errors shall not affect the validity of this Lease Agreement and Lessor shall be entitled to unilaterally correct the same; and (ii) the Lessor shall be entitled and is hereby authorized to complete the equipment description on the face of this Lease Agreement. Lessor may register a financing statement and Lessee waives the receipt of and the right to receive a copy of any such registered statement or verification statement with respect thereto. To the extent not prohibited by law, Lessee hereby waives the benefit of all provisions of any law, statute or regulation which would in any manner affect Lessor's rights and remedies hereunder, including provisions of the Limitations of Civil Rights Act of Saskatchewan.

22. Vehicle Full Service Agreement as per Schedule "B".

23. GUARANTEE AND INDEMNITY. The undersigned (hereinafter the "Indemnitor"), hereby irrevocably and unconditionally guarantees the Lessor payment of all Lease Payments and promises to satisfy all other obligations arising hereunder this Lease (the "Obligations"), in the event that the Lessee(s) fails to fulfill any its contractual obligations under this Lease. This is an absolute, unconditional, irrevocable and continuing guarantee and indemnity that will remain in full force and effect until all of the Obligations have been indefeasibly satisfied in full, and Lessor has terminated this Guarantee and Indemnity. This Guarantee and Indemnity will not be affected by any surrender, exchange, acceptance, compromise or release by Lessor of any other party, or any other guarantee or any security held by it for any of the Obligations, by any failure of the Lessor to take any steps to perfect or maintain its lien or security interest in or to preserve its rights to any security or other collateral for any of the Obligations, or by any irregularity, unenforceability or invalidity of any of the Obligations or any part thereof or any security or other guarantee thereof. The Indemnitor also hereby waives the benefit of further discussion and division.


Date: February 4, 2021

FOR OFFICE USE ONLY

EXECUTED AS LESSOR:


TPINE LEASING CAPITAL CORPORATION

By  Authorized Signatory

LESSEE
(Full Legal Name) 

The undersigned affirms that he/she is duly authorized to execute this Lease.

By  Title _____ Date 02/04/2021
Authorized Signatory

INDEMNITOR
(Full Legal Name) 

The undersigned affirms that he/she is duly authorized to execute the Certificate

By  Authorized Signatory

CO-LESSEE
(Full Legal Name) _____

By _____ Authorized Signatory



*** SCHEDULE "A" ***

To Lease Agreement dated February 4, 2021, between TPine Leasing Capital Corporation and [REDACTED]

End of Term Options Notwithstanding anything contained in the Lease Agreement to the contrary, so long as no default shall have occurred and be continuing, you shall have the following options at the end of the Initial Term (the "Option Date"):

(a) Purchase all, but not less than all, the Equipment leased pursuant to this Lease Schedule on an "as is, where is" basis, without representation or warranty, express or implied, at a price equal to:

\$10.00

plus any applicable taxes (the "Purchase Price"). After such notice and payment, provided no Default exists, you shall acquire our interest in the Equipment on the Option Date on an "as is, where is" basis without any condition, representation or warranty by us of any kind whatsoever except that you will acquire such interest free and clear of all liens and encumbrances created by or through us; or

["Fair Market Value" shall mean an amount equal to the sales price obtainable in an arms-length transaction between a willing and informed buyer under no compulsion to buy and a willing and informed seller with no compulsion to sell and assuming the Equipment is in the condition required by the Lease.]

(b) Return all but not less than all, the Equipment at your expense to a location in Canada as we designate; or

(c) Continue to lease the Equipment on a month to month basis for the same monthly Lease Payments and on the same terms and conditions of the Lease Agreement.

Should you fail to notify us of your election within ninety (90) days of the end of the Initial Term, you shall be deemed to have elected option (c) above, provided however, you shall have the option to purchase all, but not less than all, of the Equipment at any time upon written notice of ninety (90) days to us for the Purchase Price.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Schedule to be duly executed on the date set forth below by their authorized representatives.

TPINE LEASING CAPITAL CORPORATION

By: [REDACTED]
Name: [REDACTED]
Title: [REDACTED]

[REDACTED]
By: [REDACTED]
Name: [REDACTED]
Title: [REDACTED]

APPENDIX “D”

GUARANTEE (corporate)

Complete in block letters

1. In consideration of the transactions entered by Tpine Leasing Capital Corporation (hereinafter called Tpine Leasing Capital Corporation) an The Lessee [REDACTED] The undersigned (hereinafter called The Guarantor) hereby guarantees Tpine Leasing Capital Corporation unconditionally, jointly and severally with The Lessee the payment of all debts, amounts or obligations, direct or indirect, now owed or that will become owed to Tpine Leasing Capital Corporation by The Lessee or its successors and ensued from the above-mentioned leasing agreement;
2. In all event of execution of the present guarantee, Tpine Leasing Capital Corporation will not have to assert or exhaust its recourses or guarantees against The Lessee or any other person, and The Guarantor shall not assert any right which Tpine Leasing Capital Corporation may or might have against The Lessee or any other person;
3. The present guarantee shall not be diminished or affected in any way because of:
- a) renewal, modification, extension of delay that might be convened between Tpine Leasing Capital Corporation and The Lessee regarding the terms and conditions of the above mentioned Leasing Agreement;
 - b) remittance, total or partial leave of a guarantee;
 - c) renunciation to defaults of The Lessee or any other person;
 - d) release, modification, adjustment or addition regarding any obligation of The Lessee or any other person;
 - e) attribution of the amounts received by Tpine Leasing Capital Corporation from The Lessee or any other person;
 - f) invalidity or non-execution of any writing or commitment by The Lessee or any other person;
 - g) changes in The Lessee's organizational structure or of its managers.
4. The Guarantor expressly relinquishes the privileges of division and discussion and its liability will be paramount, total and absolute without consideration for the liability of The Lessee, of Tpine Leasing Capital Corporation or any other person;
5. The obligations of The Guarantor under the present Guarantee will bind its heirs, testamentary executors, administrators, legal representatives and successors, and any release to any other guarantor shall not relieve The Guarantor from his commitments in accordance with this Guarantee;
6. The Guarantor shall not be released from his commitments in this Guarantee as long as all amounts owed to Tpine Leasing Capital Corporation by The Lessee in accordance with the above mentioned Leasing Agreement, on any grounds in capital, interest, costs and others, are not be paid in full, and, more specifically, The Guarantor who commits as such within the scope of his functions as an administrator, shareholder or spouse will not be released as a result of the end of said functions. The Guarantor recognizes that Tpine Leasing Capital Corporation would not have committed in favour of The Lessee without this Guarantee;
7. The Guarantor elects residence in the judiciary district of Ontario for any and all legal proceedings and tribunal jurisdiction;
8. This Guarantee may be transferred or transported without notice, and the assignee shall possess all its ensued rights as Tpine Leasing Capital Corporation itself.

IN WITNESS THEREOF

The Guarantor has signed in [REDACTED]

Mississauga on this February 4, 2021

[REDACTED]

Witness Signature[REDACTED]

Guarantor Name_____
Witness Name (block letters)[REDACTED]

Guarantor Signature_____
Address_____
Address

APPENDIX “E”

Alvarez & Marsal Canada Inc
1055 Dunsmuir Street Suite 3501
PO Box 49215
Vancouver, BC V7X 1K8

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

NOTICE OF ASSIGNMENT

December 20, 2024

To: The Lessee in respect of the Lease and Vehicle Identified in Schedule A

Dear Sirs/Mesdames:

This letter is your notice that TPine Leasing Capital Corporation or TPine Leasing Capital LP ("TPine") has assigned all of its rights and benefits under the Lease of the Vehicle to Alvarez & Marsal Canada Inc., in its capacity as Court-Appointed Manager over certain property of Pride Group Holdings Inc. and certain affiliates and not in its personal or corporate capacity ("the Manager").

Effective immediately, TPine and the Manager hereby irrevocably instruct you to pay directly to the Manager all payments and other amounts due under the Lease and continue to do so unless and until you receive other written instructions directly from the Manager. The Manager has also appointed Integrated Financial Technologies Inc. ("IFT") to assist with the collection of such payments on the Manager's behalf. All such payments shall be made payable to and remitted as follows:

Alvarez & Marsal Canada Inc.,
In its capacity as Court-Appointed Manager
over certain property of
Pride Group Holdings Inc. and certain affiliates
and not in its personal or corporate capacity

c/o Integrated Financial Technologies Inc.
Four Bentall Centre, 1055 Dunsmuir Street
Suite 3501, PO Box 49215
Vancouver, BC
V7X 1K8

If you have provided for pre-authorized payments, you do not need to do anything, but you may notice that the withdrawals from your account may show TPine, Alvarez & Marsal or IFT Solutions as the payee.

Please(s) call IFT's Customer Service at 1-866-712-3935 (Canada) or 1-866-712-5865 (US) if you have any questions concerning this notice.

TPine Leasing Capital Corporation

By:



Name: SULAKHAN JOHAL
Title: PRESIDENT

Alvarez & Marsal Canada Inc., in its capacity as Court-Appointed Manager over certain property of Pride Group Holdings Inc. and certain affiliates and not in its personal or corporate capacity.

By:



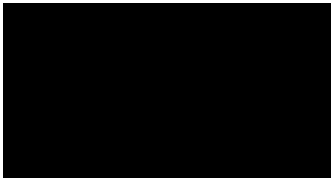
Name: Esther Mann
Title: Vice President

SCHEDULE A

<u>Lessee</u>	<u>Lease</u>	<u>Vehicle Identification Number</u> (VIN)
30114		1UYVS2531N6446114

APPENDIX “F”

TPine Leasing Capital Corp /TPine Leasing Capital LP c/o Integrated Financial Technologies Inc.
1055 Dunsmuir Street, Suite 3501
Vancouver, BC V7X 1K8



July 16, 2025

NOTICE OF DEFAULT

RE: **TPine Leasing Capital Corp / Tpine Lease Capital LP**
Contract: **32719D**
Asset(s): Please see attached Schedule A for asset listing and co-borrowers

Dear Sir/Madam,

We are writing in relation to the above noted contract.

You are in default of your payment obligations under this agreement. Under the terms of the agreement, in the event of your default we are entitled to take certain actions, such as taking possession of the equipment. To avoid the need for us to take such action, we hereby demand payment of all amounts that will become due under the agreement. The amount currently outstanding is calculated as follows:

Total Arrears* = \$6426.68

We hereby demand payment of these amounts. Should payment not be received within **ten (10)** days from the date of this notice, this matter will be referred to our solicitors and/or bailiff without further notification for enforcement, which will likely include us taking possession of the vehicles and/or equipment noted above. If, however, prior to that time circumstances require that we take steps to protect or recover the above vehicles and/or equipment, we reserve the right to do so without further notice to you.

Please note that interest accrues on all moneys due and payable in accordance with the terms and conditions of the agreement. Furthermore, pursuant to the provisions of the contract, you are responsible for all costs and expenses (including legal fees and disbursements) associated with enforcement of our rights under the contract.

As previously communicated, TPine Leasing Capital Corporation or TPine Leasing Capital LP ("**TPine**") has assigned all of its rights and benefits under the noted contract to Alvarez & Marsal Canada Inc., in its capacity as Court-Appointed Manager over certain property of Pride Group Holdings Inc. and certain affiliates and not in its personal or corporate capacity ("**the Manager**"). The Manager has appointed Integrated Financial Technologies Inc. ("**IFT Solutions**") to assist with the collection of payments on the Manager's behalf. Payment is to be received by IFT Solutions by way of certified funds no later than noon on **July 26, 2025**. Our wire instructions are attached herewith. Payments may be made payable to TPine, or IFT Solutions.

Without prejudice to our right to commence proceedings and to take possession of the vehicles and/or equipment noted above, we are prepared to reinstate the above-noted contract provided we receive payment of all arrears, interest and costs on or before **July 26, 2025**, in the amount as follows:

Total Arrears* = \$6426.68

Please ensure that all payments are directed to IFT Solutions' attention to ensure that due credit is given to your account.

Yours Truly,

**IFT Solutions; appointed service provider of
Alvarez & Marsal Canada Inc, in its capacity as Court-Appointed Manager over certain property of Tpine**

For further assistance, please contact:

Payment Services
1-866-712-5865 USA / 1-866-712-3935 CDN

Schedule A: 32719D
Borrowers

[REDACTED]

Assets for Contract

2022 UTILITY DRY VAN

APPENDIX “G”



December 9, 2025

VIA REGISTERED MAIL

cpendrith@cassels.com

tel: +1 416 860 6765

[REDACTED]
[REDACTED]
[REDACTED]

Dear Sirs or Mesdames:

Re: Lease 30114 with [REDACTED] (the “Obligor”)

We are counsel to Alvarez & Marsal Canada Inc., in its capacity as Court-Appointed Manager over certain property of Pride Group Holdings Inc. and certain affiliates, including TPine Leasing Capital Corporation and TPine Leasing Capital L.P (“**TPine**” and collectively, the “**Applicants**”) and not in its personal or corporate capacity (the “**Manager**”).

All capitalized terms not defined herein have the meaning set forth in the Order dated October 10, 2024 (as amended from time to time, the “**Recourse Lender Turn-Over Order**”).

We are writing with respect to the Obligor’s default under the Subject Lease (as defined below).

Background

On March 27, 2024, the Applicants filed for relief from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (such proceedings, the “**CCAA Proceedings**”).

On October 10, 2024, the Court granted the Recourse Lender Turn-Over Order providing, *inter alia*, a process to turn-over Remaining Assets (including Inventory and Leasebooks) to the applicable Recourse Lenders and for such Remaining Assets to be sold free and clear from any and all Claims and Encumbrances.

On October 17, 2024, the Court granted an Order (as amended on November 1, 2024, and February 4, 2025, the “**Collateral Management Order**”) appointing the Manager over the Management Property (as defined in the Collateral Management Order) of the Applicants and authorizing the Manager to take steps to, *inter alia*, collect and dispose of the Management Property on behalf of the Administrative Agent and the Syndicate Lenders (each as defined in the Collateral Management Order). The Management Property includes the lease number 30114 (the “**Subject Lease**”).

Outstanding Obligations

You are in material default of the obligations under the Subject Lease and, according to the records in the Manager's possession, you have failed to make payments under the Subject Lease such that the aggregate amount of arrears under the Subject Lease totals \$69,092.76 as at October 31, 2025 (the "**Arrears**"). All amounts due and to become due for the term of the Subject Lease are immediately due and payable. In such circumstances, the Manager is lawfully authorized to repossess the vehicles associated with the Subject Lease listed on Schedule "A" hereto (the "**Subject VINs**") in accordance with the terms of the Subject Lease and the Collateral Management Order, and to seek payment from you for all Arrears, plus an amount equal to the value of all remaining lease payments payable to the expiration of the term of the Subject Lease, plus the Manager's estimated residual value of the Subject VINs. Interest accrues on all unpaid amounts owing under the Subject Lease in accordance with their terms.

We request you to immediately contact the Manager to make payment arrangements and, in any event, by no later than December 31, 2025. The Manager's contact information is set out below:

Alvarez & Marsal Canada Inc.

Royal Bank Plaza, South Tower

200 Bay Street, Suite 2900

Toronto, ON M5J 2J1

Attn: Esther Mann

Email: esther.mann@alvarezandmarsal.com

Phone: (416) 847-5186

Should you not rectify the Arrears immediately, the Manager will seek all remedies available to it to collect the outstanding amounts, including, without limitation, the repossession of the Subject VINs and/or the commencement of legal proceedings against you. In all of which cases the Manager will also be seeking accruing interest and any and all costs and expenses, including, without limitation, any legal and other professional fees incurred by the Manager.

All rights in connection with the foregoing are reserved.

Thank you for your prompt attention to this matter.

Yours truly,

Cassels Brock & Blackwell LLP

A handwritten signature in black ink, appearing to read 'CP', is written over a light gray rectangular background.

Colin Pendrith

Partner

Services provided through a professional corporation

CP

Schedule "A"

1UYVS2531N6446114

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

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PRIDE GROUP HOLDINGS INC. AND THOSE APPLICANTS LISTED ON SCHEDULE "A" HERETO (EACH, AN "APPLICANT", AND COLLECTIVELY, THE "APPLICANTS")

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**THIRD REPORT OF THE MANAGER
ALVAREZ & MARSAL CANADA INC.**

Cassels Brock & Blackwell LLP

Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance Street
Toronto, ON M5H 0B4

R. Shayne Kukulowicz LSO #: 30729S

Tel: 416.860.6463
skukulowicz@cassels.com

Natalie E. Levine LSO#: 64908K

Tel: 416.860.6568
nlevine@cassels.com

Eva-Louise A. A. Hyderman LSO#: 90084W

Tel: 416.860.2920
ehyderman@cassels.com

Lawyers for the Manager