

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

THE HONOURABLE)
)
MADAM JUSTICE GREER) WEDNESDAY THE 31st DAY OF
)
) AUGUST, 2005



IN THE MATTER OF SECTION 18.6 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36

AND IN THE MATTER OF
ALLIED HOLDINGS, INC. AND THOSE SUBSIDIARIES
LISTED ON SCHEDULE "A" HERETO

Applicants

ORDER

THIS MOTION made by the Applicants for an order:

- (a) dispensing with service of the Notice of Motion and Motion Record herein on any interested party; and
- (b) recognizing certain of the "First Day Orders" made by the United States Bankruptcy Court Northern District of Georgia, Newnan Division (the "**U.S. Court**") on August 1, 2005;
- (c) recognizing the order made by the U.S. Court on August 24, 2005, among other things, authorizing the Applicants to obtain post petition financing (the "**Financing Order**");
- (d) recognizing the DIP Lender Charge (as that term is hereinafter defined) over and in respect of the Collateral (as that term is defined in the Financing Order); and

- (e) granting certain other ancillary relief;

was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING (i) the Notice of Motion, and (ii) the Affidavit of E. Patrick Shea sworn August 30, 2005 and the exhibits thereto (the "**Shea Affidavit**"), filed; on hearing the submissions of counsel for the Applicants and counsel for General Electric Capital Corporation ("**GE Capital**"); and on being satisfied that circumstances exist that make this Order appropriate;

Service

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record in support of this motion be and it is hereby abridged such that this Motion is properly returnable today and further that service thereof upon any person other than the persons served with the Motion Record herein be and it is hereby dispensed with.

Recognition of the Financing Order and Other First Day Orders

2. **THIS COURT ORDERS** that the Financing Order and those orders described in the Shea Affidavit and listed in Schedule "B" to this Order be and they are hereby recognized in their entirety and shall have effect throughout Canada as if they were orders of this Court made in proceedings under the CCAA.
3. **THIS COURT FURTHER ORDERS** that the Financing Order and those orders described in the Shea Affidavit and listed in Schedule "B" to this Order are binding upon all persons with any interest in the within proceedings.

DIP Lender Charge

4. **THIS COURT ORDERS** that the liens, security interests, mortgages and charges granted to GE Capital, Morgan Stanley Senior Funding, Inc. and Marathon Structured Finance Fund, L.P. (collectively, the "**DIP Lenders**") by the U.S. Court as security for the payment and performance of all obligations of the Applicants

under the debtor-in-possession credit facility (the “**DIP Facility**”) established by the Financing Order are hereby recognized, constituted and confirmed as fixed, specific, floating and continuing liens, security interests, mortgages and charges (collectively, the “**DIP Lender Charge**”) in, on and against all of the Collateral (as that term is defined in the Financing Order).

5. **THIS COURT ORDERS** that each of the Applicants are hereby authorized and empowered to incur the obligations under and in accordance with the terms of the DIP Facility.
6. **THIS COURT ORDERS** that the DIP Lenders shall not be required to file, register, record or perfect the DIP Lender Charge in any Canadian jurisdiction.
7. **THIS COURT ORDERS** that the DIP Lender Charge shall have priority in Canada over all present and future fixed or floating liens, charges, mortgages, hypothecs, security interests, pledges or other encumbrances attaching to the Collateral, subject and subordinate only to: (i) the “**Indemnification Fund**”; (ii) the “**LC Fund**”; (iii) all collateral encumbered by Senior Claims not primed by entry of the Financing Order; and (iv) the “**Carve-Out**” (as each of those terms is defined in the Financing Order); contemplated under the Financing Order and subject to encumbrances arising by operation of law without any grant of a security interest by such Applicant and that are given priority over prior fixed charges by Canadian statute law in the event of a bankruptcy of such Applicant.
8. **THIS COURT ORDERS** that the obligations of the Applicants pursuant to the DIP Facility and all documents delivered pursuant thereto constitute legal, valid and binding obligations of the Applicants enforceable against them in accordance with the terms thereof, and the payments made and security granted by the Applicants pursuant to such documents do not constitute fraudulent preferences or other challengeable or reviewable transactions under any applicable law in Canada.

9. **THIS COURT ORDERS** that the DIP Lender Charge shall be deemed to be valid and effective notwithstanding any negative covenants, prohibitions or other similar provisions with respect to incurring debt or the creation of liens or securities contained in any existing agreement between the Applicants and any lender and that notwithstanding any provision to the contrary in such agreements,
- (a) the executions, delivery, perfection or registration of the DIP Lender Charge shall not create or be deemed to constitute a breach by the Applicants of any agreement to which any of the Applicants is a party, and
 - (b) the DIP Lender shall have no liability to any person whatsoever as a result of any breach of any agreement caused by or resulting from the Applicants entering into the DIP Facility or other document delivered pursuant thereto.



ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

AUG 3 1 2005

PER/PAR: 

SCHEDULE "A"

Allied Automotive Group, Inc.

Allied Systems, Ltd. (L.P.)

Allied Systems (Canada) Company

QAT, Inc.

RMX LLC

Transport Support LLC

F. J. Boutell Driveaway LLC

Allied Freight Broker LLC

GACS Incorporated

Commercial Carriers, Inc.

Axis Group, Inc.

Kar-Tainer International LLC

Axis Netherlands, LLC

Axis Areta, LLC

Logistic Technology, LLC

Logistic Systems, LLC

CT Services Inc.

Cordin Transport LLC

Terminal Services LLC

Axis Canada Company

Ace Operations, LLC

AH Industries, Inc.

SCHEDULE "B"

1. Order authorizing the Applicants to, among other things, Continue Financing Arrangements for Insurance Premiums
2. Order authorizing Payment of Pre-Petition Wages, Payroll Taxes, Certain Employee Benefits and Related Expenses
3. Order Directing Joint Administration of Cases
4. Order, among other things, Deeming Utilities Adequately Assured of Payment
5. Order authorizing the Applicants to Honor Certain Pre-Petition Cargo Claims
6. Order authorizing Continued Maintenance and Payment of Obligations with respect to the Applicants' Insurance Programs
7. Order granting Administrative Expense Status to Applicants' Undisputed Obligations Arising from Post-Petition Delivery of Goods and Services
8. Order authorizing Payment of Pre-Petition Claims of Certain Critical Vendors and Service Providers
9. Order, among other things, authorizing Payment of Pre-Petition Customs Duties

Court File No. 05-CL-6007

IN THE MATTER OF SECTION 18.6 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36
AND IN THE MATTER OF ALLIED HOLDINGS, INC. AND THOSE SUBSIDIARIES LISTED ON SCHEDULE "A" HERETO

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

ORDER

GOWLING LAFLEUR HENDERSON LLP
Barristers & Solicitors
1600 – First Canadian Place
Toronto, ON M5X 1G5

Heath P.L. Whiteley
LSUC No. 38528P
Tel: (416) 862-4400
Fax: (416) 863-3403

Solicitors for the Applicants