

Court File No. 05-CL-6007

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

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

SUPPLEMENTARY MOTION RECORD
(returnable July 6, 2006)

Date: July 4, 2006

GOWLING LAFLEUR HENDERSON LLP
Barristers & Solicitors
Suite 1600, First Canadian Place
100 King Street West
Toronto, Ontario M5X 1G5

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

Solicitors for the Applicants

TO: THE SERVICE LIST

SACK GOLDBLATT MITCHELL

Suite 1130
20 Dundas Street West
Toronto, Ontario
M5G 2G8

Sean Dewart

Tel: 416-979-6970
Fax: 416-591-7333
seandewart@sgmlaw.com

Solicitors for Teamsters Local Unions No.
938, 106, 880 and 69

BLANEY MCMURTRY LLP

Suite 1400
20 Queen Street West
Toronto, Ontario
M5H 2V3

Deborah S. Grieve

Tel: 416-593-2951
Fax: 416-593-5437
dgrieve@blaney.com

MCCARTHY TETRAULT LLP

Suite 4700
Toronto Dominion Tower
Toronto, ON M5K 1E6

Barbara J. Boake

Tel: 416-601-7557
bboake@mccarthy.ca

Tony Kurian

Tel: 416-601-7963
tkurian@mccarthy.ca
Fax: 416-868-0673

Solicitors for Nissan Canada Inc.

MCMILLAN BINCH MENDELSON LLP

BCE Place, Suite 4400
Bay Wellington Tower
181 Bay Street
Toronto, Ontario
M5J 2T3

Jeffrey B. Gollob

Tel: 416-865-7206
Fax: 416-865-7048
jeff.gollob@mcmbm.com

Solicitors for Honda Canada Inc.

BLAKE, CASSELS & GRAYDON LLP

199 Bay Street, Suite 2800
Commerce Court West
Toronto, Ontario
M5L 1A9

Kevin P. McElcheran

Tel: 416-863-2566
Fax: 416-863-2653
kevin.mcelcheran@blakes.com

Solicitors for the DIP Lender

FURLONG CHODOLA REYNOLDS

720 Walker Road
Windsor, Ontario
N8Y 2N3

Robert J. Reynolds

Tel: 519-254-6433
Fax: 519-254-7990
reynolds@furlaw.com

BORDEN LADNER GERVAIS LLP

Scotia Plaza
40 King Street West
Toronto, Ontario
M5H 3Y4

John D. Marshall

Tel: 416-367-6024
Fax: 416-361-2763
jmarshall@blgcanada.com

Solicitors for The Bank of Nova Scotia

FASKEN MARTINEAU DUMOULIN LLP

TD Bank Tower, P.O. Box 20
Toronto-Dominion Centre
Toronto, ON
M5K 1N6

Sheryl E. Seigel

Tel: 416-868-3475
Fax: 416-364-7813
sseigel@tor.fasken.com

Solicitors for the Unsecured Creditors
Committee

SCHEDULE "A"

Allied Automotive Group, Inc.

Allied Systems, Ltd. (L.P.)

Allied Systems (Canada) Company

QAT, Inc.

RMX LLC

Transport Support LLC

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

IN THE MATTER OF SECTION 18.6 OF THE
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R.S.C. 1985, c. C-36

AND IN THE MATTER OF
ALLIED HOLDINGS, INC. AND THOSE SUBSIDIARIES
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Applicants

SUPPLEMENTARY NOTICE OF MOTION
(returnable July 6, 2006)

The Applicants will make a motion to the Court, on Thursday, July 6, 2006, at 10:00 a.m. or as soon after that time as the motion can be heard, at 393 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR:

1. An order, in substantially the form attached as **Schedule "B"** hereto,:
 - (a) abridging the time for, or dispensing with, service or further service of this Notice of Motion on any parties other than those served with the Motion Record herein;
 - (b) recognizing the Order issued by the United States Bankruptcy Court identified in paragraph 5 of the supplementary affidavit of Thomas King sworn June 30, 2006, being the Fifth Amendment Interim Order (defined below); and

- (c) granting such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

1. On July 31, 2005, the Applicants filed voluntary petitions pursuant to Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court (the "**U.S. Proceeding**");
2. On August 1, 2005, the Applicants sought and obtained various first day orders from the U.S. Court (collectively, the "**First Day Orders**"), which provided additional protection to the Applicants and addressed other administrative matters, including the provision of post-petition debtor-in-possession financing ("**DIP Financing**");

Ancillary Proceedings in Canada

3. By Order dated August 2, 2005 (the "**Initial CCAA Recognition Order**"), this Honourable Court recognized the U.S. Proceeding as "foreign proceedings" as defined by section 18.6 of the *Companies' Creditors Arrangement Act*, R.S.C., 1985, chapter C-36, as amended (the "**CCAA**") and granted certain declaratory and other relief in connection with same, including recognition of certain of the First Day Orders (but not others as they were not available at that time);
4. By Order dated August 31, 2005, this Honourable Court recognized: (i) a number of the First Day Orders made by the United States Bankruptcy Court that were not available at the time of the hearing resulting in the Initial CCAA Recognition Order; and (ii) the final order of the United States Bankruptcy Court made August 24, 2005 authorizing the DIP Financing;
5. By Order dated September 30, 2005, this Honourable Court extended the stay of proceedings in the Initial CCAA Recognition Order to October 14, 2005 (the "**First Extension Order**");

6. By Order dated October 14, 2005, this Honourable Court extended the stay of proceedings in the Initial CCAA Recognition Order to February 28, 2006 (the **"Second Extension Order"**);
7. By Order dated February 14, 2006, this Honourable Court extended the stay of proceedings in the Initial CCAA Recognition Order to June 30, 2006 (the **"Third Extension Order"**);

Fifth Amendment to Credit and Loan Documents

8. The Debtors obtained two separate forbearance agreements, the latter of which expired on April 18, 2006. As of April 18, 2006, the Debtors entered into the Consent and Fourth Amendment to Credit and Loan Documents (the **"Fourth Amendment"**). The United States Bankruptcy Court issued on May 17, 2006 an Order approving the Fourth Amendment (the **"Fourth Amendment Order"**);
9. The Debtors sought an Order authorizing the Debtors to enter into a Fifth Amendment to the DIP Financing. The purpose of the Fifth Amendment was to fulfill the requirement of the Fourth Amendment that the Debtors, among other things, obtain a commitment of at least US \$20 million in new funding. The hearing in respect of this request commenced on June 28th and was continued on June 30th;
10. At the continuation of the hearing on June 30th, the United States Bankruptcy Court granted the Fifth Amendment on an interim basis, thereby allowing the Debtors the ability to immediately borrow up to \$10 million (the **"Fifth Amendment Interim Order"**), and scheduled the final hearing for July 12th at 10:00 a.m;
11. The Initial CCAA Recognition Order;
12. The First Extension Order;
13. The Second Extension Order;

14. The Third Extension Order;
15. The provisions of the CCAA;
16. Rules 2.03, 3.02 and 37 of the *Rules of Civil Procedure*; and
17. such other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. The affidavit of Thomas King sworn June 28, 2006 and the exhibits thereto;
2. The supplementary affidavit of Thomas King sworn June 30, 2006 and the exhibit thereto; and
3. Such further and other materials as counsel may submit and this Honourable Court may permit.

Date: July 4, 2006

GOWLING LAFLEUR HENDERSON LLP
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Tel: (416) 862-4400
Fax: (416) 863-3403

Solicitors for the Applicants

TO: THE SERVICE LIST

SACK GOLDBLATT MITCHELL

Suite 1130
20 Dundas Street West
Toronto, Ontario
M5G 2G8

Sean Dewart

Tel: 416-979-6970
Fax: 416-591-7333
seandewart@sgmlaw.com

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Fax: 416-593-5437
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Tel: 416-601-7557
bboake@mccarthy.ca

Tony Kurian

Tel: 416-601-7963
tkurian@mccarthy.ca
Fax: 416-868-0673

Solicitors for Nissan Canada Inc.

MCMILLAN BINCH MENDELSON LLP

BCE Place, Suite 4400
Bay Wellington Tower
181 Bay Street
Toronto, Ontario
M5J 2T3

Jeffrey B. Gollob

Tel: 416-865-7206
Fax: 416-865-7048
jeff.gollob@mcmbm.com

Solicitors for Honda Canada Inc.

BLAKE, CASSELS & GRAYDON LLP

199 Bay Street, Suite 2800
Commerce Court West
Toronto, Ontario
M5L 1A9

Kevin P. McElcheran

Tel: 416-863-2566
Fax: 416-863-2653
kevin.mcelcheran@blakes.com

Solicitors for the DIP Lender

FURLONG CHODOLA REYNOLDS

720 Walker Road
Windsor, Ontario
N8Y 2N3

Robert J. Reynolds

Tel: 519-254-6433
Fax: 519-254-7990
reynolds@furlaw.com

BORDEN LADNER GERVAIS LLP

Scotia Plaza
40 King Street West
Toronto, Ontario
M5H 3Y4

John D. Marshall

Tel: 416-367-6024
Fax: 416-361-2763
jmarshall@blgcanada.com

Solicitors for The Bank of Nova Scotia

FASKEN MARTINEAU DUMOULIN LLP

TD Bank Tower, P.O. Box 20
Toronto-Dominion Centre
Toronto, ON
M5K 1N6

Sheryl E. Seigel

Tel: 416-868-3475
Fax: 416-364-7813
sseigel@tor.fasken.com

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Committee

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Axis Canada Company

Ace Operations, LLC

AH Industries, Inc.

SCHEDULE "B"

Court File No. 05-CL-6007

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

THE HONOURABLE) THURSDAY THE 6th DAY OF
JUSTICE ■) JULY, 2006

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, among other things, an order recognizing an Interim Order of the United States Bankruptcy Court issued June 30, 2006 was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING (i) the Notice of Motion, (ii) the Supplementary Notice of Motion, (iii) the Affidavit of Thomas H. King sworn June 28, 2006 and the exhibits thereto (the "**King Affidavit**"), and (iii) the Supplementary Affidavit of Thomas H. King sworn June 30, 2006 and the exhibit thereto (the "**King Affidavit**"), filed; on hearing the submissions of counsel for the Applicants; and on being satisfied that circumstances exist that make this Order appropriate;

Service

1. **THIS COURT ORDERS** that the time for service of the Supplementary Notice of Motion and the Supplementary 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 Fifth Amendment Interim Order in the Chapter 11 Proceedings

2. **THIS COURT ORDERS** that the Interim Order of the United States Bankruptcy Court dated June 30, 2006: (i) authorizing the Debtors to enter into the Fifth Amendment to the Debtor In Possession Facility to obtain additional postpetition financing pursuant to section 364 of the Bankruptcy Code; and (ii) granting liens and super-priority claims; be and it is hereby recognized in its entirety and shall have effect throughout Canada as if it was an order of this Court made in proceedings under the CCAA.
-

SCHEDULE "A"

Allied Automotive Group, Inc.

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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)

SUPPLEMENTARY NOTICE OF MOTION

GOWLING LAFLEUR HENDERSON LLP
Barristers & Solicitors
1600 – 1 First Canadian Place
100 King Street West
Toronto, Ontario
M5X 1G5

Heath P.L. Whiteley
(L.S.U.C. No. 38528P)

Tel: (416) 862-4400

Fax:(416) 862-3403

Solicitors for the Applicants

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

**IN THE MATTER OF SECTION 18.6 OF THE
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R.S.C. 1985, c. C-36**

**AND IN THE MATTER OF
ALLIED HOLDINGS, INC. AND THOSE
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Applicants

**SUPPLEMENTARY AFFIDAVIT OF THOMAS H. KING
(sworn June 30, 2006)**

I, **Thomas H. King**, of the County of Fulton, in the State of Georgia, **MAKE
OATH AND SAY:**

1. I am the Executive Vice President and Chief Financial Officer of Allied Holdings, Inc. ("**Allied Holdings**" and, together with its direct and indirect subsidiaries, the "**Allied Group**"). In this capacity, I have knowledge of the corporate structure, business operations, lending relationships, and financial condition of Allied Holdings and the other applicants herein (collectively, the "**Debtors**"). As such I have personal knowledge of the matters hereinafter deposed, save and except those matters based expressly upon information, in which case I have stated the source of such information all of which I believe to be true.

2. I swear this affidavit further to my affidavit sworn June 28, 2006 (the "June 28th Affidavit"). Defined terms herein shall have the same meaning as defined in the June 28th Affidavit unless otherwise defined herein.

Financing

3. Further to paragraph 20 of the June 28th Affidavit, the hearing in respect of the Debtors' request for an Order authorizing the Debtors to enter into a Fifth Amendment to the DIP Financing (the "Fifth Amendment") commenced on June 28th and continued on June 30th.

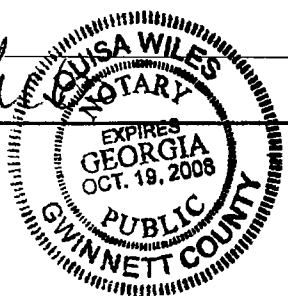
4. The purpose of the Fifth Amendment was to fulfill the requirement of the Fourth Amendment that the Debtors, among other things, obtain a commitment of at least US \$20 million in new funding.

5. At the continuation of the hearing on June 30th, the United States Bankruptcy Court granted the Fifth Amendment on an interim basis, thereby allowing the Debtors the ability to immediately borrow up to \$10 million (the "Fifth Amendment Interim Order"), and scheduled the final hearing for July 12th at 10:00 a.m. Attached and marked as Exhibit "A" hereto is a true copy of the Fifth Amendment Interim Order.

6. I swear this affidavit in support of a motion by the Debtors for an order recognizing the Fifth Amendment Interim Order and for no other or improper purpose.

SWORN BEFORE ME at the County of
Fulton, in the State of Georgia, of the
United States of America, on this 30th
day of June, 2006

[Signature]
Notary Public



[Signature]
THOMAS H. KING

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Allied Automotive Group, Inc.

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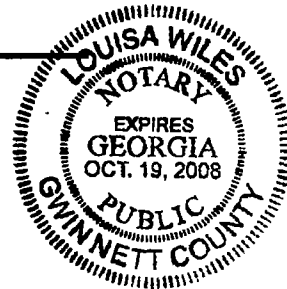
Ace Operations, LLC

AH Industries, Inc.

**This is ...Exhibit "A"... referred to in the
Affidavit of ...Thomas H. King...
sworn before me, this 30th day
of June, 2006**

Louisa Wiles

Notary Public



JUN 30 2006

UNITED STATES BANKRUPTCY COURT
 NORTHERN DISTRICT OF GEORGIA
 ATLANTA DIVISION

-----X	
In re	: Chapter 11
	:
Allied Holdings, Inc., et al.,	: Case Nos. 05-12515 through
	: 05-12537
	: Jointly Administered under
	: Case No. 05-12515
	:
Debtors.	: Judge Mullins
-----X	

**INTERIM ORDER (i) AUTHORIZING DEBTORS TO ENTER INTO
 FIFTH AMENDMENT TO THE DEBTOR IN POSSESSION FACILITY
 TO OBTAIN ADDITIONAL POSTPETITION FINANCING PURSUANT
 TO SECTION 364 OF THE BANKRUPTCY CODE AND
 (ii) GRANTING LIENS AND SUPER-PRIORITY CLAIMS**

This matter is before the Court on June 28, 2006 and June 30, 2006 on the motion filed by Allied Holdings, Inc., 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., 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, and AH Industries, Inc., debtors and debtors-in-possession herein (collectively, the "Debtors") in the above captioned Chapter 11 cases (collectively, the "Cases") dated June 16, 2006 (the "Motion") requesting entry of an interim order (this "Order") and a final order:

- (1) authorizing and approving, pursuant to sections 105, 361, 362, and 364 of title 11 of the United States Code (the "Bankruptcy Code") and Rules 2002, 4001, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the fifth

amendment (the "Fifth Amendment") to the postpetition financing (the "DIP Facility"), provided to the Debtors and guaranteed by the Guarantors¹ pursuant to that certain Senior Secured, Super-Priority Debtor-in-Possession Credit Agreement (the "DIP Facility Agreement") dated as of August 1, 2005 by and among Allied Holdings, Inc. and Allied Systems, Ltd. (L.P.), as Borrowers, the other Credit Parties signatory thereto, as Credit Parties, the Lenders signatory thereto from time to time, as Lenders, and General Electric Capital Corporation ("GE Capital"), as Administrative Agent, Collateral Agent (the "DIP Facility Collateral Agent"), Revolver Agent, co-Syndication Agent and Lender, Morgan Stanley Senior Funding, Inc. ("Morgan Stanley"), as Term Loan B Agent, Term Loan C Agent (as defined in the Fifth Amendment), co-Syndication Agent, Term Loan B Lead Arranger and co-Bookrunner, and GE Capital Markets, Inc., as co-Revolver Lead Arranger and co-Bookrunner ("GE Capital Markets") (GE Capital, GE Capital Markets and Morgan Stanley, in their respective agent capacity, collectively, the ("DIP Facility Agents") and GE Capital and Morgan Stanley, together with the other lenders, including the Term Loan C Lenders, as defined in the Fifth Amendment, each in their lender capacity, collectively, the "DIP Facility Lenders"), and authorizing the incurrence by the Debtors and the Guarantors of all indebtedness under the DIP Facility Agreement and the related DIP Facility Documents (as defined below) including, without limitation, all amounts due on account of principal, accrued interest, unpaid fees and expenses, indemnification obligations and all other amounts due to the DIP Facility Agents or the DIP Facility Lenders or otherwise constituting Obligations, including the Term Loan C Obligations as defined in the Fifth Amendment (the "Term Loan C Obligations") (collectively, the "Postpetition Indebtedness");

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Final Order (as defined below).

(2) requesting, pursuant to section 364(c) and (d) of the Bankruptcy Code, that the additional credit to be provided through the Fifth Amendment under the DIP Facility:

a. be and be deemed to be a DIP Facility Superpriority Claim to have priority over any and all administrative expenses other than the Carve-Out, including, without limitation, administrative expenses or claims of the kind specified in sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 726, 1113, or 1114 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other consensual or non-consensual lien, levy or attachment, which allowed super-priority claims of the DIP Facility Agents and DIP Facility Lenders shall be payable from and have recourse to all prepetition and postpetition property of the Debtors, as provided for in the Final Order; and

b. be and be deemed to be secured, effective as of the date of entry of this Order as the DIP Facility Liens.

(3) requesting, pursuant to Bankruptcy Rule 4001, that a final hearing (the "Final Fifth Amendment Hearing") be held for this Court to consider entry of an order approving the Fifth Amendment on a final basis, as set forth in the Motion.

The Court held an interim hearing (the "Interim Hearing") on the DIP Facility on August 1, 2005 and entered the interim order authorizing the DIP Facility (the "Interim Order") on August 1, 2005 and held a final hearing (the "Final Hearing") on the DIP Facility on August 24, 2005 and entered the final order authorizing the DIP Facility on August 24, 2005 (the "Final Order") [Docket No. 210].

Pursuant to paragraph 19(b) of the Final Order, the Debtors amended the DIP Facility as follows: (i) On August 30, 2005, Debtors filed a Notice of the First Amendment [Docket No. 240] (the "First Amendment") and no objection to the First Amendment was received; (ii) on November 1, 2005, Debtors filed the Notice of Second Amendment (the "Second Amendment") [Docket No. 616] and no objection to the Second Amendment was received; (iii) on November 21, 2005, Debtors filed the Notice of Third Amendment (the "Third Amendment") [Docket No. 743] and no objection to the Third Amendment was received; and (iv) on April 19, 2006, Debtors filed the Notice of Fourth Amendment [Docket No. 1407] (the "Fourth Amendment", together with the First Amendment, Second Amendment and Third Amendment, the "Other Amendments") and the Committee filed an objection and a hearing was held on May 15, 2006 (the "Fourth Amendment Hearing") and the Order Approving Fourth Amendment was entered on May 19, 2006 (the "Fourth Amendment Order") [Docket No. 1603].

Pursuant to Bankruptcy Rules 4001(b) and 4001(c)(1), the Court having found that due and sufficient notice under the circumstances of the Motion and this interim hearing (the "Fifth Amendment Hearing") was provided by the Debtors as set forth in paragraph I below; having considered the pleadings filed with this Court; and having overruled all unresolved objections to the relief requested in the Motion; and upon the record made by the Debtors at the Interim Hearing, the Final Hearing, the Fourth Amendment Hearing and the Fifth Amendment Hearing and upon the Declaration of Thomas H. King in Support of Chapter 11 Petitions and First Day Motions and upon all of the pleadings and proceedings of record in these Cases, and after due deliberation and consideration and good and sufficient cause appearing therefor;

IT IS HEREBY FOUND:

A. On July 31, 2005 (the "Commencement Date"), each Debtor commenced in this Court a case under chapter 11 of the Bankruptcy Code. The Debtors are continuing to operate their respective businesses and manage their respective properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

B. Pursuant to an order of this Court entered on August 1, 2005, the Cases have been consolidated for procedural purposes only and are being jointly administered.

C. On August 5, 2005, pursuant to section 1102(a) of the Bankruptcy Code, the Office of the United States Trustee for the Northern District of Georgia (the "U.S. Trustee"), appointed the committee of creditors holding unsecured claims (the "Committee").

D. On or about August 2, 2005, Allied Systems Company, AH Industries, Inc. and Axis Canada Company (collectively, the "Canadian Debtors") filed a motion in Ontario Superior Court of Justice (Commercial List) (the "Canadian Court") seeking, among other things, recognition of their respective Cases as "foreign proceedings" as defined by section 18.6 of the Companies' Creditors Arrangement Act, R.S.C., 1985, chapter C-36, as amended (the "CCAA"), staying all proceedings against the Canadian Debtors, the Canadian Debtors' property and their respective directors and officers and requesting recognition of this Court and all proceedings before, all orders judgments and decrees of this Court including the Interim Order and the Final Order. The motion was granted and an order was entered on August 5, 2005 and a final order was entered on August 31, 2005. Upon entry of this Order, the Canadian Debtors will seek an order from the Canadian Court recognizing this Order under the CCAA.

E. This Court has subject matter jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

F. The Debtors' businesses require the availability of the additional credit provided for under Fifth Amendment to finance the ordinary costs of their operations, including, without limitation, to provide letters of credit to support credit enhancements. Without such credit, the Debtors would not be able to operate their businesses and the Debtors' estates would be immediately and irreparably harmed.

G. The Debtors are unable to obtain sufficient financing from sources other than the DIP Facility Lenders on terms more favorable than under the DIP Facility and all the documents and instruments delivered pursuant thereto or in connection therewith (inclusive of the DIP Facility Agreement, the Other Amendments and the Fifth Amendment, the "DIP Facility Documents") and are not able to obtain sufficient credit allowable as an administrative expense under Section 503(b)(1) of the Bankruptcy Code. New credit from the Fifth Amendment is unavailable to the Debtors without providing the DIP Facility Agents, for the benefit of the DIP Facility Lenders, (a) the DIP Facility Superpriority Claims and (b) the DIP Facility Liens as provided herein and in the DIP Facility Documents.

H. The DIP Facility Agents and DIP Facility Lenders have indicated a willingness to consent and agree pursuant to the terms of the DIP Facility Agreement to provide additional financing through the Fifth Amendment to the DIP Facility to the Debtors subject to (i) the entry of this Order, (ii) the terms and conditions of the Fifth Amendment and (iii) findings by the Court that such additional postpetition financing is essential to the Debtors' estates, that the terms of such financing were negotiated in good faith and at arm's length, and

that the DIP Facility Agents' and/or the DIP Facility Lenders' DIP Facility Liens and Superpriority Claims, and other protections granted pursuant to this Order and the DIP Facility Documents will not be affected by any subsequent reversal, modification, vacatur, or amendment of this Order or any other order, as provided in section 364(e) of the Bankruptcy Code. Each of the DIP Facility Agents and DIP Facility Lenders has acted in good faith in negotiating, consenting to and in agreeing to provide the additional postpetition financing arrangements to be provided pursuant to the Term Loan C (as defined in the Fifth Amendment) as contemplated by this Order, the Fifth Amendment and the other Postpetition Financing Documents and the reliance of each of the DIP Facility Agents and DIP Facility Lenders on the assurances referred to above is in good faith.

I. Notice of the Fifth Amendment Hearing and the proposed entry of this Order has been provided to: (i) U.S. Trustee; (ii) the Securities and Exchange Commission; (iii) counsel to each of the DIP Facility Agents; (iv) counsel to the Indenture Trustee; (v) counsel to the Committee; (vi) counsel to Scotia Bank; (vii) each of the financial institutions identified in the Debtors' Motion For Authority To (A) Maintain Existing Cash Management Systems, (B) Continue Use Of Existing Bank Accounts And Business Forms, And (C) Continue Use Of Existing Investment Guidelines; and (viii) parties listed on the Master Service List (as such term is defined in the Order Establishing Notice Procedures entered on August 2, 2005) (collectively, the "Notice Parties"). The requisite notice of the Motion and the relief requested thereby and this Order has been provided in accordance with Bankruptcy Rule 4001(c)(2), which notice is sufficient for all purposes under the Bankruptcy Code, including, without limitation, sections 102(1) and 364 of the Bankruptcy Code, and no other notice need be provided for entry of this Order.

J. The Debtors have requested immediate entry of this Order pursuant to Bankruptcy Rules 4001(c)(2). Absent entry of this Order, the Debtors' businesses, properties and estates will be harmed.

K. The ability of the Debtors to finance their respective operations and the availability to the Debtors of sufficient working capital through the incurrence of new indebtedness for borrowed money and other financial accommodations provided for under the Fifth Amendment, including credit support, is in the best interests of the Debtors and their respective creditors and estates. The DIP Facility and the addition of the Term Loan C pursuant to the Fifth Amendment authorized hereunder is vital to avoid irreparable harm to the Debtors' businesses, properties and estates and to allow the orderly continuation of the Debtors' businesses.

L. Based upon the pleadings and proceedings of record in these Cases: (i) the terms of the Fifth Amendment are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duty, and are supported by reasonably equivalent value and fair consideration; and (ii) the Fifth Amendment has been negotiated in good faith and at arm's length among the Debtors, the DIP Facility Agents, and DIP Facility Lenders and any credit extended, letters of credit issued, loans made, and other financial accommodations extended to the Debtors by the DIP Facility Lenders shall be deemed to have been extended, issued, or made, as the case may be, in "good faith" within the meaning of section 364(e) of the Bankruptcy Code.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. Disposition. The Motion is granted on an interim basis as set forth herein. Any objections that have not previously been withdrawn are hereby overruled. This Order shall immediately become effective upon its entry.

2. Authorization to Borrow. The Fifth Amendment, in substantially the form annexed to the Motion, is hereby approved on an interim basis. The Debtors are immediately authorized to borrow under the DIP Facility, as amended by the Fifth Amendment, from the Term Loan C Lenders, up to the maximum principal amount of \$10 million plus additional interest, fees, charges and expenses payable under the DIP Facility Documents and Fifth Amendment. The DIP Facility Documents shall constitute and are hereby deemed to be legal, valid, and binding obligations of the Debtors and Guarantors party thereto and of their respective estates, enforceable against each such Debtor, Guarantor and estate in accordance with the terms of the DIP Facility Documents. Available financing and advances under the DIP Facility Agreement, as limited by this paragraph, may be made available in accordance with the terms of the Fifth Amendment to fund the Debtors' ordinary working capital and general corporate needs and to pay such other amounts as are required or permitted to be paid pursuant to the DIP Facility Agreement, the Final Order, this Order or any other orders of this Court.

3. DIP Facility Superpriority Claims. Pursuant to section 364(c) (1) of the Bankruptcy Code, the Term Loan C Obligations shall constitute DIP Facility Superpriority Claims which claims, subject to the Carve-Out, shall be payable from and have recourse to, in addition to the Collateral, any unencumbered prepetition or postpetition property of the Debtors whether now existing or hereafter acquired.

4. DIP Facility Liens. As security for the Term Loan C Obligations, pursuant to sections 364(c)(2), (c)(3), and (d) of the Bankruptcy Code, the Term Loan C Obligations shall be secured by the DIP Facility Liens, but specifically excluding Avoidance Actions and subject to the Carve-Out. The DIP Facility Collateral Agent, on behalf of itself,

the DIP Facility Agents and the DIP Facility Lenders, without the necessity of the execution by the Debtors or the filing or recordation of mortgages, security agreements, lock box agreements, financing statements, or otherwise) was granted the DIP Facility Liens effective as of the date of the Interim Order, as confirmed by the terms of the Final Order and this Order.

5. Limitation on Additional Surcharges. Subject to the Carve-Out and so long as the Commitments have not been terminated, neither of the Collateral nor any DIP Facility Agent or DIP Facility Lender shall be subject to surcharge, pursuant to section 506(c) of the Bankruptcy Code or otherwise, by the Debtors, or any other party in interest without the prior written consent of the DIP Facility Agents and no such consent shall be implied from any other action, inaction, or acquiescence by the DIP Facility Agents or DIP Facility Lenders in this proceeding, including but not limited to funding of the Debtors' ongoing operation by the DIP Facility Agents. Anything contained herein to the contrary notwithstanding, in the event the Court orders these Cases converted to ones under Chapter 7, and the chapter 7 trustee secures or protects the Collateral, the Chapter 7 Trustee shall be entitled to seek and be paid reimbursement of expenses and reasonable compensation pursuant to Section 506(c) of the Bankruptcy Code, subject to Court approval. In no event shall the DIP Facility Agents or DIP Facility Lenders be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to the Collateral.

6. Fees and Expenses of the DIP Facility Agents and the DIP Facility Lenders. The Debtors shall promptly following receipt of a written invoice reimburse the DIP Facility Agents and the DIP Facility Lenders for their reasonable costs, fees (including reasonable attorneys' fees), charges, and expenses incurred in connection with the Cases whether incurred prepetition or postpetition. None of such costs, fees, charges, and expenses

shall be subject to Court approval and no recipient of any such payment shall be required to file with respect thereto any interim or final fee application with the Court, provided that the Court shall have jurisdiction to determine any dispute concerning such invoices.

7. Additional Perfection Measures. The DIP Facility Agents and DIP Facility Lenders shall not be required to file financing statements, mortgages, deeds of trust, security deeds, notices of lien, or similar instruments in any jurisdiction or effect any other action to attach or perfect the security interests and liens granted under the Fifth Amendment, the DIP Facility Documents, the Interim Order, the Final Order and this Order (including, without limitation, the taking possession of any of the Collateral, the execution of any control, lock-box, deposit account, or the taking of any action to have security interests or liens noted on certificates of title or similar documents). Notwithstanding the foregoing, the DIP Facility Agents and DIP Facility Lenders may, in their sole discretion, file such financing statements, mortgages, deeds of trust, notices of lien, or similar instruments or otherwise confirm perfection of such liens, security interests, and mortgages without seeking modification of the automatic stay under section 362 of the Bankruptcy Code and all such documents shall be deemed to have been filed or recorded at the time of and on the Commencement Date.

8. Binding Effect. The provisions of this Order shall be binding upon and inure to the benefit of the DIP Facility Agents, the DIP Facility Lenders, the Debtors, and their respective successors and assigns. To the extent permitted by applicable law, this Order shall bind any trustee hereafter appointed for the estate of any of the Debtors, whether in these Cases or in the event of the conversion of any of the Cases to a liquidation under chapter 7 of the Bankruptcy Code. Such binding effect is an integral part of this Order.

9. Survival. The provisions of this Order and any actions taken pursuant hereto shall survive the entry of any order (i) confirming any plan of reorganization in any of the Cases (and, to the extent not satisfied in full in cash, the Postpetition Indebtedness shall not be discharged by the entry of any such order, or pursuant to section 1141(d)(4) of the Bankruptcy Code, each of the Debtors having hereby waived such discharge); (ii) converting any of the Cases to a chapter 7 case; or (iii) dismissing any of the Cases, and the terms and provisions of this Order as well as the DIP Facility Superpriority Claims, the DIP Facility Liens granted pursuant to this Order and the DIP Facility Documents shall continue in full force and effect notwithstanding the entry of any such order, and such claims and liens shall maintain their priority as provided by this Order, and the DIP Facility Documents and to the maximum extent permitted by law until all of the Postpetition Indebtedness is indefeasibly paid in full and discharged.

10. After Acquired Property. Except as otherwise provided in this Order, pursuant to section 552(a) of the Bankruptcy Code, all property acquired by the Debtors after the Commencement Date, including, without limitation, all Collateral pledged or otherwise granted to the DIP Facility Agents, on behalf of themselves and the DIP Facility Lenders, pursuant to the DIP Facility Documents and this Order, is not and shall not be subject to any lien of any person or entity resulting from any security agreement entered into by the Debtors prior to the Commencement Date, except to the extent that such property constitutes proceeds of property of the Debtors that is subject to a valid, enforceable, perfected, and unavoidable lien as of the Commencement Date which is not subject to subordination under section 510(c) of the Bankruptcy Code or other provision or principles of applicable law.

11. Authorization to Act. Each of the Debtors is authorized to do and perform all acts, to make, execute and deliver all instruments and documents (including, without limitation, the execution of security agreements, mortgages and financing statements), and to pay fees, which may be reasonably required or necessary for the Debtors' performance under the Fifth Amendment and this Order, including, without limitation:

a. the execution of the Fifth Amendment and any documents requested to be executed in connection therewith; and

b. the non-refundable payment to the DIP Facility Agents or the DIP Facility Lenders, as the case may be, of the fees referred to in section 1.9(e) of the Fifth Amendment and reasonable costs and expenses as may be due from time to time, including, without limitation, reasonable attorneys' and other professional fees and disbursements as provided in the DIP Facility Documents.

12. Subsequent Reversal. If any or all of the provisions of this Order, the Fifth Amendment or the other DIP Facility Documents are hereafter modified, vacated, amended, or stayed by subsequent order of this Court or any other court without the consent of the DIP Facility Agents: (i) such modification, vacatur, amendment, or stay shall not affect the validity of any obligation of any Debtor or Guarantor to the DIP Facility Agents or DIP Facility Lenders that is or was incurred prior to the effective date of such modification, vacatur, amendment, or stay (the "Effective Date"), or the validity, enforceability or priority of the DIP Facility Superpriority Claim, DIP Facility Liens or other grant authorized or created by the Interim Order, the Final Order or this Order and the Fifth Amendment and other DIP Facility Documents; (ii) the Postpetition Indebtedness, including the Term Loan C Obligations pursuant to the Interim Order, the Final Order or this Order and the DIP Facility Documents

arising prior to the Effective Date shall be governed in all respects by the original provisions of the Interim Order, the Final Order and this Order and the DIP Facility Documents (as applicable), and the validity of any such credit extended or security interest granted pursuant to the Interim Order, the Final Order and this Order and the DIP Facility Documents is and shall be protected by section 364(e) of the Bankruptcy Code.

13. Effect of Dismissal of Cases. If the Cases are dismissed, converted or substantively consolidated, then neither the entry of this Order nor the dismissal, conversion or substantive consolidation of these Cases shall affect the rights of the DIP Facility Agents or the DIP Facility Lenders under the DIP Facility Documents, the Final Order or this Order, and all of the respective rights and remedies thereunder, as modified by this Order, of the DIP Facility Agents and the DIP Facility Lenders shall remain in full force and effect as if the Cases had not been dismissed, converted, or substantively consolidated. If an order dismissing any of the Cases is at any time entered, such order shall provide (in accordance with sections 105 and 349 of the Bankruptcy Code) that (i) the DIP Facility Liens and DIP Facility Superpriority Claim granted to and conferred upon the DIP Facility Agents and DIP Facility Lenders and the protections afforded to the DIP Facility Agents and/or the DIP Facility Lenders pursuant to this Order and the DIP Facility Documents shall continue in full force and effect and shall maintain their priorities as provided in this Order until all Postpetition Indebtedness shall have been paid and satisfied in full and, with respect to outstanding undrawn letters of credit, cash collateralized in accordance with the provisions of the DIP Facility Agreement (and that such DIP Facility Liens, DIP Facility Superpriority Claim and other protections shall, notwithstanding such dismissal, remain binding on all interested parties), (ii) this Court shall retain jurisdiction, notwithstanding such dismissal, for the purpose

of enforcing the DIP Facility Liens and DIP Facility Superpriority Claim, and (iii) the effectiveness of any order dismissing the Cases shall not occur until sixty (60) days after it is entered in order to give the DIP Facility Agents and DIP Facility Lenders the opportunity to perfect all security interests and liens in the Collateral under non-bankruptcy law, including, without limitation, the filing or recording of financing statements, mortgages, deeds of trust, security deeds, leasehold mortgages, notices of lien or similar instruments in any jurisdiction (including trademark, copyright, tradename or patent assignment filings with the United States Patent and Trademark Office, Copyright Office or any similar United States entity) and the procurement of waivers from any landlord, tenant, mortgagee, bailee or warehouseman and consents from any licensor or similar party-in-interest. The provisions of this Order, and any actions taken pursuant hereto, shall survive the entry of and shall govern with respect to any conflict with any order that may be entered confirming any plan of reorganization or converting any of the Cases from Chapter 11 to Chapter 7. In no event shall any plan of reorganization be allowed to alter the terms of repayment of any of the Postpetition Indebtedness, including the Term Loan C Obligations, from those set forth in the Fifth Amendment and other DIP Facility Documents. The Postpetition Indebtedness shall not be extinguished or released by the entry of any order confirming a plan of reorganization in any of the Cases unless the Postpetition Indebtedness is paid in full in cash upon the effective date of any such plan and, pursuant to section 1141(d)(4) of the Bankruptcy Code, the Debtors have waived discharge.

14. Ratification of Final Order. The terms of the Final Order are ratified and confirmed in all respects for the benefit of the Debtors, the DIP Facility Agents and the DIP Facility Lenders. Without limiting the generality of the preceding sentence, (a) all protections,

findings and conclusions contained in the Final Order are ratified and confirmed in all respects and are incorporated herein and made a part hereof and (b) the Term Loan C and any and all indebtedness, obligations and claims created in connection therewith and the Fifth Amendment shall constitute Postpetition Indebtedness for all purposes under the Final Order and as provided for herein.

15. Findings of Fact and Conclusions of Law. This Order constitutes findings of fact and conclusions of law and shall take effect and be fully enforceable immediately upon the entry thereof.

16. Controlling Effect of Order. To the extent any provision of this Order conflicts with any provision of the Motion, the Interim Order, the Final Order or any document executed in connection with the DIP Facility, the provisions of this Order shall control.

17. Final Fifth Amendment Hearing. A final hearing on the Motion shall be heard before this Court on July 12, 2006 at 9:30 a.m. in Courtroom 1203 at the U.S. Courthouse, 75 Spring Street SW, Atlanta, Georgia 30303

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18. Adequate Notice. The notice given by the Debtors of the Fifth Amendment Hearing was given in accordance with Bankruptcy Rule 4001(c)(2). Within three (3) business days after the Court's entry of this Order, the Debtors shall mail copies of this Order and notice of the Final Fifth Amendment Hearing to the Notice Parties. Any party-in-interest objecting to the relief sought in the final order approving the Motion shall submit any such objection in writing and file same with the Court (with a courtesy copy to chambers) and serve (so as to be received) such objection no later than July 7, 2006 5:00 p.m. ET, on the following:

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a. **Troutman Sanders, LLP**, 600 Peachtree Street, NE, Suite 5200, Atlanta, GA 30308 (Attn: Jeffrey W. Kelley, Esq.) counsel to Debtors and Debtors in Possession;

b. **Sullivan & Cromwell, LLP**, 1888 Century Park East Los Angeles, California 90067 (Attn: Hydee R. Feldstein, Esq.) and **Paul Hastings Janofsky & Walker, LLP**, 600 Peachtree Street NW, Atlanta, GA 30308 (Attn: Jesse H. Austin, III, Esq.) and 75 East 55th Street, New York, NY 10022 (Attn: Kristine M. Shryock, Esq.), counsel to Morgan Stanley;

c. **Kilpatrick Stockton LLP**, Suite 2800, 1100 Peachtree Street, Atlanta, GA 30309 (Attn: Alfred S. Lurey, Esq.), counsel to GE Capital;

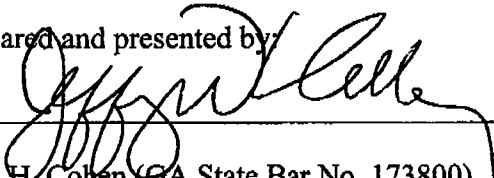
d. **Bingham McCutchen, LLP**, One State Street, Hartford, CT 06103 (Attn: Jonathan B. Alter, Esq.), and **Nelson Mullins Riley & Scarborough, LLP**, 999 Peachtree Street, NE, Suite 1400, Atlanta, GA 30309 (Attn: Richard B. Herzog, Jr., Esq.) counsel to the Committee; and

e. **United States Trustee**, 75 Spring Street, Room 362, Atlanta, Georgia 30303.

SO ORDERED, ADJUDGED, DECREED AND STIPULATED, this
30 day of June, 2006.


C. RAY MULLINS
UNITED STATES BANKRUPTCY JUDGE

Prepared and presented by



Ezra H. Cohen (GA State Bar No. 173800)
Jeffrey W. Kelley (GA State Bar No. 412296)
Harris B. Winsberg (GA State Bar No. 770892)

TROUTMAN SANDERS LLP

Bank of America Plaza
600 Peachtree Street, N.E. - Suite 5200
Atlanta, Georgia 30308-2216
Telephone No.: (404) 885-3348
Facsimile No.: (404) 962-6719

ATTORNEYS FOR THE DEBTORS

DISTRIBUTION LIST:

Jeffrey W. Kelley, Esq.
Troutman Sanders, LLP
600 Peachtree Street, NE
Suite 5200
Atlanta, GA 30308-2216

Jesse H. Austin, III, Esq
Paul, Hastings, Janofsky & Walker, LLP
600 Peachtree Street, Suite 2400
Atlanta, GA 30308

Kristine M. Shryock, Esq.
Paul Hastings Janofsky & Walker, LLP
75 East 55th Street
New York, NY 10022

Alfred S. Lurey, Esq.
Kilpatrick Stockton LLP
Suite 2800
1100 Peachtree Street
Atlanta, GA 30309

United States Trustee
75 Spring Street, Room 362
Atlanta, Georgia 30303

**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)

**SUPPLEMENTARY AFFIDAVIT OF
THOMAS H. KING
(sworn June 30, 2006)**

GOWLING LAFLEUR HENDERSON LLP
Barristers & Solicitors
1600 – 1 First Canadian Place
100 King Street West
Toronto, Ontario
M5X 1G5

Heath P.L. Whiteley
(L.S.U.C. No. 38528P)

Tel: (416) 862-4400
Fax: (416) 862-3403

Solicitors for the Applicants