

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**

THE HONOURABLE) THURSDAY, THE 27th
)
JUSTICE OSBORNE) DAY OF JUNE, 2024

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
NATIONAL TRAFFIC SAFETY MANAGEMENT INC.,
IN THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

ORDER

THIS MOTION, made by National Traffic Safety Management Inc. (“**National**”), for an order approving the Term Sheet dated June 18, 2024 (the “**FundThrough DIP Term Sheet**”) between National and FundThrough Inc. (the “**DIP Lender**”) and granting a priority charge over National’s over certain property and assets as security for the DIP loan was heard this day at 330 University Avenue, Toronto, Ontario via videoconference.

ON READING the Notice of Motion, and the Fifth Report of TDB Restructuring Limited dated June 26, 2024, and on hearing the submissions of counsel for National and such other parties in attendance, as shown on the Participant Information Form, filed.

FUNDTHROUGH FACTORING FACILITY

1. **THIS COURT ORDERS** that National is hereby authorized and empowered to obtain and borrow under a factoring facility from the DIP Lender in order to finance National’s working

capital requirements and other general corporate purposes, provided that borrowings under such factoring facility shall not exceed \$2,000,000 unless permitted by further Order of this Court.

2. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the FundThrough DIP Term Sheet, filed.

3. **THIS COURT ORDERS** that National is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, with the FundThrough DIP Term Sheet, the "**Definitive Documents**"), as are contemplated by the FundThrough DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and National is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

4. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**FundThrough DIP Charge**") on all present and future Eligible Receivables (as defined in the FundThrough DIP Term Sheet) of National (the "**Property**"). The FundThrough DIP Charge shall not secure an obligation that exists before this Order is made. The FundThrough DIP Charge shall have the priority set out in paragraph 6 hereof.

5. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the FundThrough DIP Charge or any of the Definitive Documents;

- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon 3 business days notice to National and the Proposal Trustee, may exercise any and all of its rights and remedies against National or the Property under or pursuant to the Definitive Documents and the FundThrough DIP Charge, including without limitation, to cease making advances to National and set off and/or consolidate any amounts owing by the DIP Lender to National against the obligations of National to the DIP Lender under the Definitive Documents or the FundThrough DIP Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against National and for the appointment of a trustee in bankruptcy of National; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of National or the Property.

6. **THIS COURT ORDERS** that the FundThrough DIP Charge shall rank in priority to all other security interests, trusts, statutory or otherwise, liens, charges and encumbrances, claims of secured creditors, (collectively, "**Encumbrances**") in favour of any person. For greater clarity, the priority of the FundThrough DIP Charge in relation to the Administration Charge, D&O Charge and the DIP charge granted to J9 Investments Inc., as among them, shall be as follows with respect to the Property described below:

First – FundThrough DIP Charge (on Eligible Receivables)

Second – Administration Charge to the extent of \$100,000

Third – the D&O Charge to the extent of \$100,000

Fourth – J9 Investments Inc. DIP Charge

Fifth - the balance of the D&O Charge

7. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, National shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the FundThrough DIP Charge unless National also obtains the prior written consent of the Proposal Trustee, the DIP Lender and J9 Investments Inc., or further Order of this Court.

8. **THIS COURT ORDERS** that the FundThrough DIP Charge and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the DIP Lender and shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds National, and notwithstanding any provision to the contrary in any Agreement:

- (d) neither the creation of the FundThrough DIP Charge nor the execution, delivery, perfection, registration or performance of the Definitive Documents shall create or be deemed to constitute a breach by National of any Agreement to which they are a party;
- (e) National shall not have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from National entering into the Definitive

Documents, the creation of the FundThrough DIP Charge, or the execution, delivery or performance of the Definitive Documents; and

- (f) the payments made by National pursuant to this Order or the Definitive Documents, and the granting of the FundThrough DIP Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

9. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or the United States, to give effect to this Order and to assist National, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to National and the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist National and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

11. **THIS COURT ORDERS** that National or the Proposal Trustee shall be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

12. **THIS COURT ORDERS** that any interested party (including National and the Proposal Trustee) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice

to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

13. **THIS COURT ORDERS** that this Order is effective from today's date and it is made and enforceable without any need for entry or filing.

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Court File No.: BK-24-03064916-0031

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ORDER

CHAITONS LLP

5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

Harvey Chaiton (LSO #21592F)

Tel: (416) 218-1129

E-mail: harvey@chaitons.com

Laura Culleton (LSO #82428R)

Tel: (416) 218-1128

E-mail: laurac@chaitons.com

**Lawyers for National Traffic Safety Management
Inc.**