

Court No. [...]

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

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

**AND**

**IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57, AS  
AMENDED AND THE BUSINESS CORPORATIONS ACT, R.S.O. 1990, C. B..16, AS  
AMENDED**

**AND**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
BRON MEDIA CORP. AND THE ENTITIES LISTED AT SCHEDULE "A"**

**PETITIONERS**

**PRE-FILING REPORT TO THE COURT  
SUBMITTED BY GRANT THORNTON LIMITED  
IN ITS CAPACITY AS PROPOSED MONITOR**

**July 18, 2023**



**Grant Thornton**

**Grant Thornton Limited,  
Proposed Monitor**

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## INTRODUCTION

1. Grant Thornton Limited (“**GTL**” or the “**Proposed Monitor**”) has been informed that BRON Media Corp. and the petitioners listed at **Schedule “A”** (collectively, the “**BRON Group**” or the “**Petitioners**”) intend to make an application under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) for an initial order (the “**Proposed Initial Order**”) granting, *inter alia*, a stay of proceedings in favour of the Petitioners (the “**Stay Period**”) and appointing GTL as monitor (in such capacity, the “**Monitor**”) in these proceedings. The proceedings to be commenced by the Petitioners under the CCAA will be referred to herein as the “**CCAA Proceedings**”.
2. This report (the “**Pre-Filing Report**”) of the Proposed Monitor has been prepared to provide information to this Court for its consideration in respect of the relief sought by the Petitioners in the Proposed Initial Order.
3. The Proposed Monitor understands that the Petitioners will be seeking a further order (the “**Proposed Amended and Restated Initial Order**”) at subsequent hearings scheduled for one hour on each of July 27 and 28, 2023 (the “**Comeback Hearing**”), granting certain broader relief. If appointed, the Proposed Monitor intends to file a further report in advance of that hearing to provide information on the relief sought in the Proposed Amended and Restated Initial Order.

## PURPOSE OF THE PRE-FILING REPORT

4. The purpose of the Pre-Filing Report is to inform the Court as to the following:
  - (a) The qualifications of GTL to act as Monitor and an overview of the involvement to date of GTL with the Petitioners;
  - (b) The business and affairs of the Petitioners and the causes of their financial difficulty and insolvency;
  - (c) The details of the BRON Group’s assets and liabilities including the charges, security interests and encumbrances registered against the BRON Group;
  - (d) The Petitioners’ weekly cash flow forecast for the period of July 19, 2023 to October 18, 2023 (the “**Cash Flow Forecast**”);
  - (e) The Petitioners’ request and the Proposed Monitor’s recommendation thereon, for:

- i. Approval of the Debtor-in-Possession ("**DIP**") Facility Loan Agreement (the "**DIP Financing Agreement**") dated July 18, 2023, between the Petitioners, as borrower and Creative Wealth Media Lending LP 2016, (in such capacity, the "**DIP Lender**") pursuant to which the DIP Lender has agreed to advance up to USD\$6.2 million (the "**DIP Facility**") to the Petitioners, subject to the terms and conditions of the DIP Financing Agreement; and,
  - ii. A priority charge in favour of the DIP Lender on the assets, properties and undertakings of the Petitioners in order to secure the obligations under the DIP Financing Agreement (the "**DIP Lender's Charge**").
- (f) The Petitioners' request for approval of a charge in the amount of CAD\$250,000 (the "**Administration Charge**") securing the fees and expenses of the Monitor, legal counsel to the Monitor (the "**Monitor's Counsel**"), and legal counsel of the Petitioners (the "**Petitioners' Counsel**"), and the Proposed Monitor's recommendation thereon; and
- (g) The Petitioners' request for approval of a charge in the amount of USD\$250,000 (the "**Directors' Charge**") securing the indemnification by the Petitioners of its directors and officers against the obligations and liabilities that they may incur as directors or officers of the Petitioners after the commencement of the CCAA Proceedings, except to the extent that, with respect to any individual, the obligation or liability was incurred as a result of the individual's gross negligence or willful misconduct, and the Proposed Monitor's recommendation thereon.

## **TERMS OF REFERENCE**

5. In preparing this Pre-Filing Report, the Proposed Monitor has relied upon the Petitioners' unaudited financial information, certain other financial information and financial projections of the Petitioners, and discussions with the Petitioners' management ("**Management**") (collectively, the "**Information**"). GTL has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information relied upon to prepare this Pre-Filing Report in a manner that would comply with Canadian Accounting Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook, and, accordingly, GTL expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the Information should perform its own diligence.

6. Some of the information used in preparing this Pre-Filing Report consists of financial projections, including the Cash Flow Forecast. The Proposed Monitor cautions that these projections are based upon the Petitioners' assumptions about future-oriented financial information and future events and conditions that are not ascertainable. The Petitioners' actual results achieved may vary from the Cash Flow Forecast, and these variations may be material, even if the Hypothetical and Probable Assumptions (defined below) contained therein materialize. GTL expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.
7. During the course of its mandate, the Proposed Monitor has assumed the integrity and truthfulness of the Information and explanations presented to it by the Petitioners and its Management, within the context in which such Information was presented. To date, nothing has come to the Proposed Monitor's attention that would cause it to question the reasonableness of these assumptions. The Proposed Monitor has requested that Management, bring to its attention any significant matters which were not addressed in the course of the Proposed Monitor's specific inquiries. Accordingly, this Pre-Filing Report is based solely on the information (financial or otherwise) made available to the Proposed Monitor by the Petitioners and its Management.
8. This Pre-Filing Report has been prepared for the use of this Court and the Petitioners' stakeholders as general information relating to the Petitioners and to assist the Court in determining whether to grant the relief sought by the Petitioners. Accordingly, the reader is cautioned that this Pre-Filing Report may not be appropriate for any other purpose. The Proposed Monitor will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Pre-Filing Report contrary to the provisions of this paragraph.
9. Unless otherwise stated, all monetary amounts contained herein are expressed in US Dollars. Capitalized terms not otherwise defined herein have the meaning given to them in the Affidavit of Aaron Gilbert (the "**Gilbert Affidavit**"), Chairman and Chief Executive Officer of the BRON Group of Companies (as defined in the Gilbert Affidavit), sworn July 18, 2023, sworn in support of the Initial Application.

## QUALIFICATIONS TO ACT AS MONITOR

10. GTL is a licensed insolvency trustee within the meaning of section 2(1) of the *Bankruptcy and Insolvency Act* (Canada). In addition, GTL is not subject to any of the restrictions to act as Monitor set out in section 11.7(2) of the CCAA.
11. GTL has consented to act as Monitor should the Court grant the Petitioners' request for relief in the CCAA Proceedings. A copy of the Proposed Monitor's consent to act is attached hereto as **Appendix "A"**.
12. The senior GTL representative with carriage of these matters is an experienced Chartered Insolvency and Restructuring Professional and a Licensed Insolvency Trustee, who has acted in restructurings and CCAA matters across various provinces in Canada.

## INVOLVEMENT TO DATE OF GTL WITH THE PETITIONERS

13. Pursuant to an engagement letter dated June 9, 2023 (the "**GTL Engagement Letter**"), GTL was engaged as financial advisor (the "**Financial Advisor**") to the Petitioners and has been working with the Management in providing assistance and advice to the Petitioners with regard to preparing for this filing. GTL's role as Financial Advisor was to provide financial, strategic and restructuring advice and, if necessary, to assist the Petitioners in preparing for a filing for a restructuring proceeding such as under the CCAA, which may include a sale and investment solicitation process ("**SISP**").
14. Notwithstanding the foregoing, GTL did not take any steps to control and/or manage the Petitioners' operations.
15. GTL has provided no accounting or auditing advice to the Petitioners. Fees payable to GTL pursuant to the GTL Engagement Letter are based on hours worked multiplied by normal hourly rates. GTL is not entitled to any success-based or other contingency-based fee.
16. Neither GTL nor any of its representatives or affiliates has at any time in the past two years been: (a) a director, officer or employee of any member of the Petitioners; (b) related to any member of the Petitioners, or to any director or officer of any member of the Petitioners; or (c) the auditor, accountant or legal counsel, or a partner or an employee of the auditor, accountant or legal counsel, of any member of the Petitioners.

## **THE PETITIONERS' BUSINESS & AFFAIRS AND CAUSES OF INSOLVENCY AND BRON GROUP'S ASSETS AND LIABILITIES**

17. The business and affairs of the Petitioners and the causes of their insolvency are described in the Gilbert Affidavit. The Proposed Monitor has reviewed the Gilbert Affidavit and discussed the business and affairs of the Petitioners and causes of its insolvency with Management and is of the view that based on the Information provided the Gilbert Affidavit provides a fair summary thereof.
18. Similarly, the assets and liabilities of the BRON Group, including the charges, security interests and encumbrances registered against the BRON Group are also described in the Gilbert Affidavit.
19. The Proposed Monitor has reviewed the Q1 2023 internal financial statements of the Petitioners' and note that as of March 31, 2023, the Petitioners' operating loss (earnings before interest, depreciation and amortization, and foreign exchange) was approximately CAD\$860,000. Comprehensive loss (after interest, depreciation and amortization, and foreign exchange) was approximately CAD\$4.18 million. GTL was advised by the Petitioners that as at March 31, 2023, total assets were approximately CAD\$148.74 million versus total liabilities of approximately CAD\$419.32 million (which includes production loans that the Petitioners advised they have not historically consolidated with the aforementioned Q1 2023 internal financial statements as these loans are with individual subsidiaries that are not cross-collateralized) and negative retained earnings of approximately CAD\$78.41 million.
20. The Proposed Monitor is of the view that the Petitioners are insolvent, and it is necessary for these CCAA Proceedings to assist the Petitioners' in their restructuring.

## **CASH FLOW FORECAST**

21. The Petitioners, with assistance from the Proposed Monitor, prepared a cash flow forecast, attached hereto as **Appendix "B"** (the "**Cash Flow Forecast**"), which covers the period from July 19, 2023 to October 18, 2023 (the "**Cash Flow Period**"). The Cash Flow Forecast was prepared on the assumption that the Petitioners' operations would entail minimal work being performed on live action films that are complete and the ceasing of all work relating to the digital business.

22. The Cash Flow Forecast has been prepared by Management using probable and hypothetical assumptions set out therein (the **"Probable and Hypothetical Assumptions"**).
23. The Proposed Monitor has reviewed the Cash Flow Forecast to the standard required of a Court-appointed Monitor by s. 23(1)(b) of the CCAA. The Proposed Monitor's review of the Cash Flow Forecast consisted of inquiries, analytical procedures, and discussions related to information supplied to the Proposed Monitor by Management of the Petitioners. Since the Probable and Hypothetical Assumptions need not be supported, the Proposed Monitor's procedures with respect to same were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. The Proposed Monitor has also reviewed the support provided by the Petitioners' Management for the Probable and Hypothetical Assumptions and the preparation and presentation of the Cash Flow Forecast. Based on the Proposed Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:
  - a) the Probable and Hypothetical Assumptions are not consistent with the purpose of the Cash Flow Forecast;
  - b) as at the date of this Pre-Filing Report, the Probable and Hypothetical Assumptions developed by Management are not suitably supported and consistent with the Petitioners' plans or do not provide a reasonable basis for the Cash Flow Forecast, given the Probable and Hypothetical Assumptions; or
  - c) the Cash Flow Forecast does not reflect the Probable and Hypothetical Assumptions.
24. The Petitioners have minimal cash available for operations. The Cash Flow Forecast estimates the Company will require incremental advances under the DIP Facility of approximately USD\$6.2 million to fund its cash shortfall during the Cash Flow Period. The Company is projecting total disbursements of that same amount.
25. The Proposed Monitor makes the following general comments on the Cash Flow Forecast:
  - a) no corporate cash receipts are expected during the Cash Flow Period;
  - b) cash disbursements appear to be consistent with the level of operations as contemplated by Management;
  - c) the Cash Flow Forecast contemplates paying employee wage and other employee obligations as well as related source deductions in the ordinary course;

- d) the Cash Flow Forecast contemplates paying vendors in accordance with existing and/or modified credit terms;
  - e) the Cash Flow Forecast contemplates paying 10 employees a key retention bonus of USD\$234,425 ("**KERP**") at the end of the CCAA Proceedings, to be discussed in further detail below;
  - f) disbursements include fees and interest that relate to the DIP Facility; and,
  - g) disbursements include forecast payments to the Petitioners' legal counsel, the Monitor and its legal counsel, and legal counsel to the DIP Lender.
26. The Petitioners provided for the payment of a KERP relating to 10 employees (the "**Key Employees**") who are considered to be key to a future restructuring and who without any of them, operations and the SISF would be at risk. As a result, the Petitioners have indicated a KERP is necessary to incentivize the Key Employees to remain with the Petitioners through to the conclusion of the CCAA Proceedings, and Court-approval of the KERP will be sought at the Comeback Hearing. The terms of the KERP are that the Key Employees remain throughout and to the end of the CCAA Proceedings in order to be eligible for same. The Proposed Monitor, if appointed, will provide comments and recommendations regarding the KERP in a subsequent report filed in connections with the Comeback Hearing.
27. Since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the Probable and Hypothetical Assumptions occur, and the variations may be material. Accordingly, the Proposed Monitor expresses no assurance as to whether the Cash Flow Forecast will be achieved. The Proposed Monitor expresses no opinion or other form of assurance with respect to the accuracy or completeness of any financial information presented in this Pre-Filing report or relied upon by the Proposed Monitor in preparing this Pre-Filing Report.
28. The Cash Flow Forecast has been prepared solely for the purposes described in [Note 1] within the Cash Flow Forecast and readers are cautioned that it may not be appropriate for other purposes.

## PROPOSED DEBTOR-IN-POSSESSION FINANCING

29. Unless otherwise defined, capitalized terms used in this section of this Pre-Filing Report are as defined in the DIP Financing Agreement. A copy of the DIP Financing Agreement is attached hereto as **Appendix “C”**.
30. The DIP Facility is summarized below:
- a) **Loan Amount:** a maximum of USD\$6.2 million, of which USD\$665,000 would be made to the Borrowers (as defined in the DIP Financing Agreement) on the granting of the Proposed Initial Order (the **“First DIP Advance”**), a second advance (the **“Second DIP Advance”**) made to the Borrowers in the amount of USD\$1,090,354 on the granting of the Provisional Relief Order (which shall among other things, recognize the CCAA Proceedings in the US), a third DIP advance (the **“Third DIP Advance”**) made to the Borrowers in the amount of USD\$910,695 on the granting of the amended and restated initial order (the **“ARIO”**). Thereafter, draws of not less than USD\$100,000 and increments of USD\$100,000 against the Cash Flow Forecast shall be made by the DIP Lender to the Monitor up to a maximum of USD\$3,533,951. The receipt and disbursement of funds will be approved by the Monitor;
  - b) **Repayments:** The DIP Facility will be serviced by payments of interest-only during the term. The aggregate principal amount owing under the DIP Facility, all accrued and unpaid interest, all fees and expenses incurred by the DIP Lender and all other obligations of the Borrowers to the DIP Lender under or in connection with the CCAA Proceedings, shall be repaid in full on the earliest to occur of: (i) the occurrence of any Event of Default hereunder that has not been cured or waived in writing by the DIP Lender, in its sole discretion; (ii) the closing of one or more sale transactions for all or substantially all of the assets or shares in the capital of the Borrowers approved by an order of the Canadian Court, including in connection with the SISP; (iii) the implementation of a plan of compromise or arrangement in accordance with the CCAA and the Court Orders; (iv) conversion of the CCAA Proceedings into a proceeding under the *Bankruptcy and Insolvency Act* (Canada); and (v) October 18 2023 (the earliest of such dates being the **“Maturity Date”**). All payments received by the DIP Lender shall be applied first to any fees and expenses due, then to accrued and unpaid interest and then, after all such fees, expenses and interest are brought current, to principal. The Borrowers may prepay the DIP Obligations at any time prior to the

Maturity Date by effecting payment to the DIP Lender, to an account to be specified in writing in advance, in minimum amounts of USD\$500,000 and in increments of USD\$100,000 in excess thereof, without premium or penalty, and any amounts so prepaid may not be re-borrowed by the Borrowers hereunder.

- c) Termination: The DIP Facility shall be available to the Maturity Date. Provided that there is no Event of Default hereunder which is continuing, the Maturity Date may be extended at the request of the Borrowers, following consultation with the Monitor, and with the prior written consent of the DIP Lender, in its sole discretion, for such period and on such terms and conditions as the Borrowers and the DIP Lender may agree.
- d) Interest Rate: 15% per annum, payable monthly in arrears;
- e) Commitment Fee: The Borrowers shall pay to the DIP Lender a commitment fee (the "**Commitment Fee**"), as compensation for making the DIP Facility available, in an amount equal to 2% of the Maximum Amount (being \$124,000). The Commitment Fee, once earned and payable, shall be non-refundable under all circumstances and shall be paid by adding the amount of such fee to the principal amount of the DIP Obligations on the Maturity Date.
- f) Expenses: The Petitioners will pay all reasonable costs incurred by the DIP Lender, directly or indirectly, including, without limitation, expenses of legal counsel, due diligence, appraisals, and any other reasonable expenses incurred in conjunction with preparing the DIP Financing Agreement documents.
- g) Security: all draws on the DIP Facility shall be secured by the DIP Lender's Charge, subject only to the Administration Charge (defined herein), that shall not be greater in total of USD\$6.2 million;
- h) Conditions: key conditions, which are further detailed in the DIP Facility Agreement, include; among other things:
  - i. execution of the DIP Financing Agreement and other reasonably required transaction documents, in form and substance satisfactory to the DIP Lender;
  - ii. issuance of the Proposed Initial Order, or a revised Proposed Initial Order (and any other required order in the Proceeding), satisfactory in form and substance to the DIP Lender, approving and authorizing the DIP Facility and DIP Lender's Charge;

- iii. the US Court shall have issued an Order Granting Provisional Relief to the Borrowers the effect of which shall be to, among other things, recognize the CCAA Proceedings and the Initial Order, and approve the DIP Facility and the DIP Charge, all on terms acceptable to the DIP Lender in its sole discretion;
  - iv. there will be no appeals, injunctions or other legal impediments relating to the completion of the DIP Facility or pending litigation seeking to restrain or prohibit the completion of the DIP Financing Agreement;
  - v. the Initial Order and the Provisional Relief Order shall be in full force and effect and shall not have been vacated, stayed or otherwise caused to become ineffective, or amended in a manner prejudicial to the DIP Lender; and
  - vi. provision of the Cash Flow Forecast. The Borrowers shall provide: (i) an updated cash flow projection for the same period as the Cash Flow Projection by no later than 5:00 p.m. (Vancouver time) on the Wednesday of each week ending after the week in which the Initial DIP Advance (as defined below) occurs, such updated cash flow projection to be in a form consistent with the Cash Flow Projection (a "**Proposed Amended Cash Flow Projection**"), provided that the Borrowers, at their option, may provide a Proposed Amended Cash Flow Projection on a more frequent basis, but in any event, not more than twice in any calendar week; and (ii) on a weekly basis, (x) actual cash flow results from the immediately preceding one week period and (y) a comparison of the actual cash flow results from the immediately preceding one week period as against the DIP Agreement Cash Flow Projection for such week, such information described in this clause to be delivered to the DIP Lender and Monitor weekly by no later than 5:00 p.m. (Vancouver time) on the Wednesday of each week; and
- i) Chief Restructuring Officer: At any time during the CCAA Proceedings, at the request of the DIP Lender and with the consent of the Monitor, the Borrowers will immediately seek the appointment of a Chief Restructuring Officer acceptable to the DIP Lender (the "**CRO**"). The terms of engagement of the CRO, including the remuneration payable to the CRO, must be acceptable to the DIP Lender.
31. It is contemplated that the DIP Lender would be granted a Court-ordered charge over all of the Petitioners' property, up to a maximum amount of USD\$6.2 million, to secure

amounts owing by the Petitioners' pursuant to the DIP Financing Agreement (the "**DIP Charge**"). The DIP Charge will only secure obligations in respect of the above and will not secure any other obligation under the DIP Facility. The DIP Charge will not secure any obligation that existed prior to the Proposed Initial Order.

32. When reviewing the reasonableness of the DIP Financing Agreement, the Proposed Monitor considered the factors set out in Section 11.2 of the CCAA and notes the following:
- a) the Petitioners have a critical and immediate need for interim financing. Without access to the DIP Facility, the Petitioners will be unable to maintain their operations and advance the restructuring process. The DIP Lender's Charge will allow the Petitioners to continue to operate;
  - b) the Proposed Monitor believes that approval of the DIP Facility is in the best interests of the Petitioners' stakeholders and will advance the Petitioners' restructuring process. The Proposed Monitor does not believe that creditors of the Petitioners will be materially prejudiced as a result of the approval of the DIP Facility – to the contrary, they will benefit from it as it will allow the business to continue to operate, which will enhance value versus the alternative, which is the discontinuation of operations and the potential liquidation of the Petitioners' assets;
  - c) if the DIP Facility is approved, the Petitioners seek to only draw on the First DIP Advance and the Second DIP Advance, which are those amounts required to sustain the business until the Comeback Hearing;
  - d) based on the Proposed Monitor's review, the cost of the proposed DIP Facility is within the ranges of similar facilities approved by the Court and other Canadian courts in CCAA proceedings, especially given the recent increases in interest rates.
33. Based on the foregoing, the Proposed Monitor believes that the terms of the DIP Facility are reasonable in the circumstances.

#### **PROPOSED COURT ORDERED CHARGES**

34. The Proposed Initial Order provides for three charges that rank as follows:
- a) first – the Administration Charge;
  - b) second – the DIP Charge; and,
  - c) third – the Directors' Charge.

(collectively, the “**Charges**”). The Proposed Initial Order states that the Charges are to rank ahead of all security, interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (the “**Encumbrances**”) in favour of any Person (as defined in the Proposed Initial Order), however does not prime any secured creditor not served with the initial application.

#### ADMINISTRATION CHARGE

35. The Proposed Initial Order contemplates the Monitor, the Monitor’s Counsel and the Company’s counsel, be granted a Court-ordered charge on the assets of Company as security for professional fees and disbursements relating to services rendered in respect of the Company (whether incurred prior to or after the commencement of the CCAA proceedings) at the standard rates and charges in an amount not to exceed CAD\$250,000 (the “**Administration Charge**”).
36. The Administration Charge threshold has been established based on the various professionals’ previous history and experience with restructurings of similar magnitude and complexity. If an Initial Order under the CCAA is granted, the Proposed Monitor believes that the proposed Administration Charge is required and reasonable in the circumstances.

#### DIP CHARGE

37. It is a condition of the DIP Facility that it be secured by a charge over the assets of the Petitioners.
38. Based on reviewing the Petitioners’ information, the Proposed Monitor is of the view that the DIP Charge is reasonable and appropriate in the circumstances.

#### DIRECTORS’ CHARGE

39. The Proposed Initial Order contemplates, that a Directors’ Charge in the amount of CAD\$250,000 be granted in favour of the beneficiaries being the directors and officers of the Bron Group. It is the Proposed Monitor’s view that the continued support and service of the directors and officers during the CCAA Proceedings would be beneficial to the Petitioners’ efforts to preserve value and maximize recoveries for stakeholders. The Proposed Monitor has been informed that the directors and officer of the Bron Group will not continue to serve unless the Directors’ Charge is granted.

40. The quantum of the proposed Directors' Charge is based on estimated amounts for which directors could potentially have statutory personal liability that could be outstanding during the first pay period within the CCAA Proceedings being: wages, salaries and applicable withholdings, benefits and accrued vacation pay.
41. The Proposed Monitor notes that the directors and officers will only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any existing insurance policy, or to the extent that such coverage is insufficient to pay amounts for which the directors and officers are entitled to be indemnified pursuant to the provisions of the Proposed Initial Order.
42. Accordingly, the Proposed Monitor respectfully recommends that the Petitioners' request for the Directors' Charge be granted by this Court.

#### **NEED FOR A STAY OF PROCEEDINGS AND THE CCAA PROCEEDINGS**

43. The Petitioners have a viable business; however, certain matters as outlined in the Gilbert Affidavit have caused significant financial strain. The proposed CCAA Proceedings, including the stay of proceedings and DIP Facility, will allow the Petitioners to continue their operations whilst concurrently seeking potential financing or equity investment, or a sale of the business, through a court-approved sale and investment solicitation process, that will be described in detail at the Comeback Hearing, which is in the interests of the Petitioners and their stakeholders.
44. For the reasons set out in this Pre-Filing Report, the Proposed Monitor is of the view that the relief requested by the Petitioners is reasonable and respectfully recommends that this Court make the Order granting the Petitioners' requested relief.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED** this 18th day of July 2023.

**GRANT THORNTON LIMITED,  
SOLELY IN ITS CAPACITY AS PROPOSED MONITOR OF THE PETITIONERS  
AND NOT IN ITS CORPORATE OR PERSONAL CAPACITY**

Per: 

Mark Wentzell, CPA, CA, CIRP, LIT  
Senior Vice-President

## **Schedule A – Petitioners**

Canadian Petitioners & US Petitioners – BRON Group of Companies

	<b>Debtor Company</b>	<b>Jurisdiction</b>
1.	BRON Animation Inc.	British Columbia
2.	BRON Creative Corp.	Ontario
3.	BRON Developments Inc.	British Columbia
4.	BRON Media Corp.	British Columbia
5.	BRON Media Holdings Intl. Corp.	British Columbia
6.	BRON Media Holdings USA Inc.	British Columbia
7.	BRON Releasing Inc.	British Columbia
8.	BRON Studios Inc.	British Columbia
9.	BRON Ventures 1 (Canada) Corp	British Columbia
10.	BRON Everest Productions Inc.	Ontario
11.	Fables Productions BC Inc.	British Columbia
12.	Gossamer Productions BC Inc.	British Columbia
13.	Hench 2 BC Productions Inc.	British Columbia
14.	Henchmen Productions Inc.	British Columbia
15.	Robin Hood Digital PC BC Inc.	British Columbia
16.	Windor Productions BC Inc.	British Columbia
17.	BRON Creative USA, Corp.	Nevada
18.	BRON Digital USA, LLC	Delaware
19.	BRON Life USA Inc. (BRON Legacy USA Inc.)	Delaware
20.	BRON Media Holdings USA Corp.	Delaware
21.	BRON Releasing USA Inc.	Delaware
22.	BRON Studios USA Inc.	Nevada
23.	BRON Ventures 1, LLC	Delaware
24.	BRON Studios USA Developments Inc.	Nevada
25.	Bakhorma, LLC	Washington

<b>26.</b>	Drunk Parents, LLC	New York
<b>27.</b>	Fables Holdings USA, LLC	Delaware
<b>28.</b>	Fables Productions USA Inc	Delaware
<b>29.</b>	Gossamer Holdings USA, LLC	Delaware
<b>30.</b>	Gossamer Productions USA Inc.	Delaware
<b>31.</b>	Harry Haft Productions, Inc.	New York
<b>32.</b>	Heavyweight Holdings, LLC (previously Harry Haft Films, LLC)	Delaware
<b>33.</b>	I Am Pink Productions, LLC	Delaware
<b>34.</b>	Lucite Desk, LLC	Delaware
<b>35.</b>	National Anthem Holdings, LLC (f. k. a. BCDC Holdings, LLC)	Delaware
<b>36.</b>	National Anthem ProdCo Inc.	New Mexico
<b>37.</b>	Oakland Pictures Holdings, LLC	Delaware
<b>38.</b>	Pathway Productions, LLC	Delaware
<b>39.</b>	Robin Hood Digital PC USA Inc.	Delaware
<b>40.</b>	Robin Hood Digital USA, LLC	Delaware
<b>41.</b>	Solitary Holdings USA, LLC	Delaware
<b>42.</b>	Surrounded Holdings USA LLC	Delaware
<b>43.</b>	Welcome to Me, LLC	California

## **Appendix A – Proposed Monitor’s Consent**

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

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

AND

**IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, c. 57, AS AMENDED AND THE BUSINESS CORPORATIONS ACT, R.S.O. 1990, C. B.16,  
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AND

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
BRON MEDIA CORP. AND THE ENTITIES LISTED AT SCHEDULE "A"**

**PETITIONERS**

**CONSENT**

Grant Thornton Limited hereby consents to act as the Court-appointed Monitor in this proceeding should an Initial Order be granted by the Court.

Dated at Vancouver this 18<sup>th</sup> day of July, 2023.

**GRANT THORNTON LIMITED**

Per: 

Name: Mark Wentzell, CA CIRP,  
LIT

Title: Senior Vice President

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, RSC 1985, c. C-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BRON MEDIA CORP. AND THE ENTITIES LISTED AT  
SCHEDULE "A"**

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Court File No.:

**IN THE SUPREME COURT OF  
BRITISH COLUMBIA**

Proceedings commenced at Vancouver

**CONSENT**

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Lawyer for Grant Thornton Limited, as proposed Monitor

**Appendix B – Cash flow forecast for the period from  
July 19, 2023 to October 18, 2023**

**BRON MEDIA GROUP ("Bron")**  
**Consolidated Cash Flow Forecast**  
**July 19, 2023 to October 18, 2023 (the "Cash Flow Period")**

		Forecast Week 1	Forecast Week 2	Forecast Week 3	Forecast Week 4	Forecast Week 5	Forecast Week 6	Forecast Week 7	Forecast Week 8	Forecast Week 9	Forecast Week 10	Forecast Week 11	Forecast Week 12	Forecast Week 13	Total
For the week ending, In USD	Notes	26-Jul-23	02-Aug-23	09-Aug-23	16-Aug-23	23-Aug-23	30-Aug-23	06-Sep-23	13-Sep-23	20-Sep-23	27-Sep-23	04-Oct-23	11-Oct-23	18-Oct-23	
<b>Opening Cash Balance</b>	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Receipts</b>	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Operating Disbursements</b>															
<b>Payroll Expense</b>	3														
BRON Media		59,322	-	59,322	-	59,322	-	59,322	-	59,322	-	59,322	-	59,322	415,253
BRON Animation		51,778	-	51,778	-	51,778	-	51,778	-	51,778	-	51,778	-	51,778	362,445
BRON Studios		34,019	-	34,019	-	34,019	-	34,019	-	34,019	-	34,019	-	34,019	238,133
BRON Studios USA		60,865	-	60,865	-	60,865	-	60,865	-	60,865	-	60,865	-	60,865	426,058
BRON Digital USA		37,558	-	37,558	-	37,558	-	37,558	-	37,558	-	37,558	-	37,558	262,907
BRON Digital USA (Interactive Group)		38,282	-	38,282	-	38,282	-	38,282	-	38,282	-	38,282	-	38,282	267,974
KERP	4	-	-	-	-	-	-	-	-	-	-	-	-	234,425	234,425
Source Deductions	5	665,851	-	-	-	-	-	-	-	-	-	-	-	-	665,851
Notice Period Employees	6	-	-	158,341	-	-	-	-	-	-	-	-	-	-	158,341
Total Payroll Expense		947,675	-	440,165	-	281,824	-	281,824	-	281,824	-	281,824	-	516,249	3,031,385
<b>Other Operating Expenses</b>	7														
Rent	8	116,653	-	-	-	36,041	-	-	-	-	36,041	-	-	-	188,735
Software	9	58,246	-	-	-	33,046	-	11,547	3,877	-	33,046	-	-	21,391	161,154
Interest	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Selling, General & Administration	11	6,820	9,579	6,199	49,095	6,820	9,579	49,095	6,199	58,674	6,820	9,579	6,199	49,095	273,754
Other Operating Expenses		181,719	9,579	6,199	49,095	75,907	9,579	60,642	10,076	58,674	75,907	9,579	6,199	70,486	623,643
<b>Total Operating Disbursements</b>		<b>1,129,395</b>	<b>9,579</b>	<b>446,364</b>	<b>49,095</b>	<b>357,732</b>	<b>9,579</b>	<b>342,466</b>	<b>10,076</b>	<b>340,498</b>	<b>75,907</b>	<b>291,403</b>	<b>6,199</b>	<b>586,735</b>	<b>3,655,029</b>
Net Cashflow From Operations		(1,129,395)	(9,579)	(446,364)	(49,095)	(357,732)	(9,579)	(342,466)	(10,076)	(340,498)	(75,907)	(291,403)	(6,199)	(586,735)	(3,655,029)
<b>Non-Operating Disbursements</b>															
Bron Legal Counsel Fees	12	113,688	75,792	75,792	56,844	56,844	56,844	56,844	56,844	56,844	56,844	56,844	56,844	56,844	833,712
Proposed Monitor Fees		75,792	75,792	75,792	-	75,792	-	75,792	-	75,792	-	75,792	-	75,792	606,336
Monitor Catch up Fees		121,267	-	-	-	-	-	-	-	-	-	-	-	-	121,267
Proposed Monitor's Legal Counsel Fees		-	75,792	75,792	-	75,792	-	75,792	-	75,792	-	75,792	-	75,792	530,544
Proposed Monitor's Legal Counsel Catch up Fees		26,527	-	-	-	-	-	-	-	-	-	-	-	-	26,527
US Legal Fees and US Filing Fees	13	190,000	-	-	-	-	-	-	-	-	-	85,000	-	-	275,000
UK Legal Fees	14	75,792	-	-	-	-	-	-	-	-	-	-	-	-	75,792
DIP Financing Fees		18,948	-	-	-	18,948	-	-	-	18,948	-	-	-	18,948	75,792
CCAA Professional Fees		622,015	227,376	227,376	56,844	227,376	56,844	208,428	56,844	227,376	56,844	293,428	56,844	227,376	2,544,971
<b>Total Disbursements</b>		<b>1,751,409</b>	<b>236,955</b>	<b>673,740</b>	<b>105,939</b>	<b>585,108</b>	<b>66,423</b>	<b>550,894</b>	<b>66,920</b>	<b>567,874</b>	<b>132,751</b>	<b>584,831</b>	<b>63,043</b>	<b>814,111</b>	<b>6,200,000</b>
Net Cashflow		(1,751,409)	(236,955)	(673,740)	(105,939)	(585,108)	(66,423)	(550,894)	(66,920)	(567,874)	(132,751)	(584,831)	(63,043)	(814,111)	(6,200,000)
<b>DIP Financing</b>															
DIP Financing Advances		1,751,409	236,955	673,740	105,939	585,108	66,423	550,894	66,920	567,874	132,751	584,831	63,043	814,111	6,200,000
<b>Ending Cash Balance</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative DIP Financing		1,751,409	1,988,364	2,662,105	2,768,044	3,353,151	3,419,575	3,970,469	4,037,389	4,605,263	4,738,015	5,322,846	5,385,889	6,200,000	6,200,000

**BRON MEDIA GROUP ("Bron")**  
**Notes to the Cash Flow Forecast**  
**July 19, 2023 to October 18, 2023 (the "Cash Flow Period")**

**Disclaimer**

1. This Cash Flow Forecast is prepared by Bron in accordance with s. 23(1)(b) of the Companies Creditors' Arrangement Act ("CCAA").
2. Bron has prepared this Forecast on probable and hypothetical assumptions that reflect the Bron's planned course of action for the period of 13 weeks. Management is of the opinion that, as at the date of filing the Cash Flow Forecast, the assumptions used to develop the projection represent the most probable set of economic conditions facing Bron and that the assumptions used proved a reasonable basis for and are consistent with the purpose of this Cash Flow Forecast.
3. The Cash Flow Forecast has been prepared by Bron and has been reviewed by the Proposed Monitor. The Proposed Monitor has not verified or confirmed certain expenses incurred by Bron which are reflected in this Cash Flow Forecast.
4. The information contained in this Cash Flow Forecast is subject to changing assumptions and/or with the receipt of new or additional information this actual results may vary. This Cash Flow Forecast should not be used for any other purpose than its stated purpose, and creditors are cautioned that the information provided in this Cash Flow Forecast could vary based on changing future circumstances.

**Note 1**

The Cash Flow Forecast assumes there will be no material opening cash balance.

**Note 2**

Bron advises that there will be no corporate receipts during the Cash Flow Period.

**Note 3**

Payroll expense assumes Bron reduces headcount and production of the Digital Projects is placed on hold. Work will continue on Bron's Fortnite rollout under the Interactive Group.

**Note 4**

Bron advises that it intends to seek a Key Employee Retention Plan ("KERP") in the CCAA proceedings.

**Note 5**

Pursuant to an agreement between the Companies and CWM, amounts relate to outstanding source deductions in respect of payroll, withholding taxes and dues for government programs, but does not include amounts relating to source deductions for the last pay period.

**Note 6**

Bron advises that it terminated a number of employees in June 2023. The Cash Flow Forecast includes amounts to be paid to these employees as they work their respective notice periods. Bron has not provided a breakdown of these amounts by employee to date.

**Note 7**

Operating expenses assume a CCAA filing with pre-filing amounts stayed, other than as disclosed in Note 11. Critical supplier payments are included, but are not material.

**Note 8**

Rent is for studios in Los Angeles and Burnaby. Bron advises that it intends to disclaim its Los Angeles lease and move to a smaller facility in Los Angeles as part of its restructuring. The Los Angeles lease is CAD \$111,564 monthly so rent expense may decrease during the Cash Flow Period. Bron has yet to provide a projected cost for the replacement Los Angeles studio.

**Note 9**

Software is Zoom, Microsoft, Vision 33 (accounting), Bamboo (HR) and others necessary for Bron's operations during the Cash Flow Period. The amounts also include licence renewal fees.

**Note 10**

The Cash Flow Forecast assumes that interest on existing loans will be accrued during the Cash Flow Period.

**Note 11**

SG&A includes employee benefits payments. The Cash Flow Forecast assumes that pre-filing employee benefits will be paid.

**Note 12**

Bron Legal Counsel Fees assumes no material costs in regard to litigation in connection with the orders sought in Canada during the CCAA proceeding, however does assume fees in recognition of litigation in the US.

**Note 13**

The Cash Flow Forecast assumes that there will be Chapter 15 bankruptcy proceedings in the US in conjunction with the CCAA proceedings. The \$190,000 reflected in week one is required by legal counsel upon approval of the initial CCAA Order.

**Note 14**

The Cash Flow Forecast assumes that there will be UK recognition orders.

Tuesday, July 18, 2023

Bron Media Group

Per: 

Dave Whitney, Chief Financial Officer

Grant Thornton Limited, as Proposed Monitor

Per: 

Mark Wentzell, CPA, CA, CIRP, LIT, Senior Vice President

# **Appendix C – DIP Financing Agreement**

## DIP LOAN AGREEMENT

**Dated as of July 18, 2023**

**WHEREAS** the Borrowers (as defined below) have requested that the DIP Lender (as defined below) provide financing to fund certain obligations of the Borrowers in the context of their anticipated proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA", and such proceeding, the "CCAA Proceedings") before the Supreme Court of British Columbia (the "**Canadian Court**") and the anticipated recognition of the CCAA Proceedings by the United States Bankruptcy Court for the Northern District of Georgia, Atlanta Division (the "**US Court**" and together with the Canadian Court, the "**Courts**") under Chapter 15 of the United States Bankruptcy Code (the "**Chapter 15 Proceedings**") and, if determined necessary, in the sole discretion of the DIP Lender, recognition of the CCAA Proceedings in a court of competent jurisdiction in the United Kingdom (together with the CCAA Proceedings and the Chapter 15 Proceedings, the "**Insolvency Proceedings**") in accordance with the terms and conditions set out in this agreement (this "**DIP Agreement**");

**NOW THEREFORE** the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

1. **BORROWERS:** All of the entities listed in **Schedule "A"** hereto (collectively, the "**Borrowers**"), acting jointly and severally.
2. **DIP LENDER:** Creative Wealth Media Lending LP 2016 in respect of the DIP Facility (in such capacity, the "**DIP Lender**").
3. **PURPOSE:** As set out in Section 15(d) of this DIP Agreement.
4. **DIP FACILITY AND MAXIMUM AMOUNT** A super-priority, debtor-in-possession, non-revolving credit facility (the "**DIP Facility**") up to the maximum principal amount of \$6,200,000.00 (the "**Maximum Amount**"). For greater certainty, any interest, expenses or fees that are capitalized and added to the principal amount owing hereunder as contemplated by the terms hereof shall not constitute part of the Maximum Amount, and the Borrowers are and shall be permitted to borrow up to the Maximum Amount without taking into account any such capitalized amounts, subject to the terms and conditions hereof.  
  
Advances under the DIP Facility shall be made in accordance with Section 7 of this DIP Agreement.
5. **REPAYMENT:** The aggregate principal amount owing under the DIP Facility, all accrued and unpaid interest, all fees and expenses incurred by the DIP Lender (including, without limitation, the Expenses (as defined below)), and all other obligations of the Borrowers to the DIP Lender under or in connection with the Insolvency

Proceedings, this DIP Agreement, the DIP Facility or any other definitive security or other documents, agreements, registrations, financing statements and instruments in respect of the DIP Facility (collectively, the "**DIP Obligations**") shall be repaid in full on the earliest to occur of: (i) the occurrence of any Event of Default hereunder that has not been cured or waived in writing by the DIP Lender, in its sole discretion; (ii) the closing of one or more sale transactions for all or substantially all of the assets or shares in the capital of the Borrowers approved by an order of the Canadian Court, including in connection with the SISP (as defined below); (iii) the implementation of a plan of compromise or arrangement in accordance with the CCAA and the Court Orders (as defined below); (iv) conversion of the CCAA Proceedings into a proceeding under the *Bankruptcy and Insolvency Act* (Canada); and (v) October 18, 2023 (the earliest of such dates being the "**Maturity Date**"). Provided that there is no Event of Default hereunder which is continuing, the Maturity Date may be extended at the request of the Borrowers, following consultation with the Monitor, and with the prior written consent of the DIP Lender, in its sole discretion, for such period and on such terms and conditions as the Borrowers and the DIP Lender may agree.

The commitment in respect of the DIP Facility shall expire automatically on the Maturity Date (unless extended according to the terms hereunder) and all DIP Obligations shall be repaid in full on the Maturity Date (or extended Maturity Date), without the DIP Lender being required to make demand upon the Borrowers or to give notice that the DIP Facility has expired and/or that the DIP Obligations are due and payable.

All payments received by the DIP Lender shall be applied first to any fees and expenses due hereunder (including, without limitation, the Expenses), then to accrued and unpaid interest and then, after all such fees, expenses and interest are brought current, to principal.

It is acknowledged that some or all of the DIP Obligations may be satisfied by the DIP Lender "credit bidding" such DIP Obligations for some or all of the assets of the Borrowers pursuant to the SISP to be implemented in the CCAA Proceedings, in the DIP Lender's sole discretion.

## 6. CASH FLOW PROJECTIONS:

The Borrowers, in consultation with Grant Thornton Limited, in its capacity as proposed court-appointed monitor (as appointed in such capacity, the "**Monitor**") in the CCAA

Proceedings, have provided to the DIP Lender the cash flow projections attached at **Schedule "B"** hereto, which are in form and substance satisfactory to the DIP Lender and which are to be filed with the Canadian Court, reflecting the projected cash requirements of the Borrowers for the 13-week period from July 26, 2023, through the period ending October 18, 2023, calculated on a weekly basis (the "**Cash Flow Projection**").

The Borrowers shall keep the DIP Lender and the Monitor apprised of their cash flow requirements by providing: (i) an updated cash flow projection for the same period as the Cash Flow Projection by no later than 5:00 p.m. (Vancouver time) on the Wednesday of each week ending after the week in which the First DIP Advance (as defined below) occurs, such updated cash flow projection to be in a form consistent with the Cash Flow Projection (a "**Proposed Amended Cash Flow Projection**"), provided that the Borrowers, at their option, may provide a Proposed Amended Cash Flow Projection on a more frequent basis, but in any event, not more than twice in any calendar week; and (ii) on a weekly basis, (x) actual cash flow results from the immediately preceding one week period and (y) a comparison of the actual cash flow results from the immediately preceding one week period as against the DIP Agreement Cash Flow Projection (as defined below) for such week, such information described in this clause (ii) to be delivered to the DIP Lender and Monitor weekly by no later than 5:00 p.m. (Vancouver time) on the Wednesday of each week.

No Proposed Amended Cash Flow Projection shall be considered the DIP Agreement Cash Flow Projection unless the DIP Lender has provided notice in writing to the Borrowers, with a copy to the Monitor, confirming its consent to such Proposed Amended Cash Flow Projection. Upon the DIP Lender delivering such notice to the Borrowers, with a copy to the Monitor, such Proposed Amended Cash Flow Projection shall be considered the DIP Agreement Cash Flow Projection.

At any given time, the cash flow projection in force and effect (whether the Cash Flow Projection or any subsequent Proposed Amended Cash Flow Projection which the DIP Lender has consented to in accordance herewith) shall be the "**DIP Agreement Cash Flow Projection**".

For greater certainty, neither the DIP Lender nor the Monitor, as the case may be, shall be required to initiate any DIP

Advances pursuant to a Proposed Amended Cash Flow Projection, nor are the Borrowers entitled to utilize any DIP Advance to make payments set out in a Proposed Amended Cash Flow Projection, unless and until it has become effective as the DIP Agreement Cash Flow Projection in accordance with this Section 6.

**7. ADVANCES UNDER  
DIP FACILITY:**

**I. DIP Advances from the DIP Lender**

Pursuant to the terms and conditions of this DIP Agreement, the DIP Lender shall advance the following disbursements as draws against the Maximum Amount of the DIP Facility:

- (a) A first advance in the amount of \$665,000.00 ("**First DIP Advance**") shall be made by the DIP Lender to the Borrowers in accordance with Section 9 of this DIP Agreement, such First DIP Advance to be advanced following the satisfaction of each of the conditions to the First DIP Advance set out in Section 8 of this DIP Agreement;
- (b) A second advance in the amount of \$1,086,409.00 ("**Second DIP Advance**") shall be made by the DIP Lender to the Borrowers in accordance with Section 9 of this DIP Agreement, such Second DIP Advance to be advanced following the satisfaction of each of the conditions to the Second DIP Advance set out in Section 8 of this DIP Agreement;
- (c) A third advance in the amount of \$910,695.00 ("**Third DIP Advance**") shall be made by the DIP Lender to the Borrowers in accordance with Section 9 of this DIP Agreement, such Third DIP Advance to be advanced following the satisfaction of each of the conditions to the Third DIP Advance set out in Section 8 of this DIP Agreement; and
- (d) One or more subsequent advances (each, a "**Subsequent DIP Draw**" and together with the First DIP Advance, the Second DIP Advance and the Third DIP Advance, the "**DIP Advances**" and each a "**DIP Advance**") up to the aggregate principal amount \$3,537,895.00 shall be made by the DIP Lender to the Monitor, in trust for the Borrowers, to be disbursed in accordance with Section 9 of this DIP Agreement, each such Subsequent DIP Draw to be advanced following the satisfaction of each of the conditions to such

Subsequent DIP Draw set out in Section 8 of this DIP Agreement.

## **II. Subsequent DIP Draws from the Monitor**

Following the advance of the Third DIP Advance, the Borrowers shall apply to the DIP Lender and the Monitor to draw on proceeds available under the DIP Facility in accordance with the following process:

- (a) The Borrowers shall issue a request for Subsequent DIP Draw by delivering a draw down certificate, substantially in the form attached hereto as **Schedule "C"** to the DIP Lender, with a copy to the Monitor, which request shall specify the amount of Subsequent DIP Draw requested and shall identify the intended uses for such Subsequent DIP Draw in accordance with the DIP Agreement Cash Flow Projection; and
- (b) Subsequent DIP Draws shall be in the minimum principal amount of \$100,000 and in increments of \$100,000 and are to be funded within three (3) business days following delivery of the request for a Subsequent DIP Draw, unless within two (2) business days of delivery of such request for a Subsequent DIP Draw the DIP Lender (after consultation with the Monitor) delivers to the Borrowers a notice of non-consent to such Subsequent DIP Draw as a result of one or more of the applicable conditions precedent not being met or the occurrence of an Event of Default that is continuing and such notice shall include reasonable details outlining any such unsatisfied applicable condition precedent or Event of Default. The DIP Lender, in consultation with the Monitor, may also consent to the making of a Subsequent DIP Draw prior to the second (2<sup>nd</sup>) business day following delivery of the request for a Subsequent DIP Draw.

The proceeds of each DIP Advance shall be applied by the Borrowers solely in accordance with the DIP Agreement Cash Flow Projection, subject to the Permitted Variance (as defined below), or as may otherwise be agreed to in writing by the DIP Lender, in its sole discretion, from time to time.

Notwithstanding anything to the contrary herein, unless the DIP Lender consents in advance in writing, the Borrowers shall be prohibited from using the proceeds of any DIP Advance to

pay: (i) any expenses that are not of a type of expense that falls within an expense line-item contained in the DIP Agreement Cash Flow Projection, subject to the Permitted Variance (and for certainty including the exceptions contained therein); (ii) professional fees of the Borrowers or any other party to contest, challenge or in any way oppose (or support any other person in contesting, challenging or opposing) the DIP Lender on any Court Order; (iii) subject to the preceding subsection (ii), the professional fees of any party, except for such professional fees incurred for and on behalf of the Borrowers, the Monitor, the DIP Lender and the Existing Lenders (as defined below); and (iv) any amounts outstanding as at the date of commencement of the CCAA Proceedings, including without limitation, any amounts owing to trade creditors and other lenders.

For the purposes of this DIP Agreement, "**Permitted Variance**" shall mean an adverse variance of not more than 10% of the aggregate disbursements in the DIP Agreement Cash Flow Projection on a cumulative basis starting on the start date of the initial Cash Flow Projection referred to in the first paragraph of this Section 7 above; provided, however, that the Permitted Variance calculation shall not take into account (i) the Expenses, and (ii) the fees and expenses of Creative Wealth Media Finance Corp., Creative Wealth Media Lending LP 2016 and Creative Wealth Media Equity Fund I in their capacities as existing lenders to certain of the Borrowers (collectively, the "**Existing Lenders**").

## **8. CONDITIONS PRECEDENT TO DIP FACILITY ADVANCES**

### **1. CONDITIONS TO FIRST DIP ADVANCE**

The following conditions precedent shall be satisfied, or waived in writing by the DIP Lender, in its sole discretion, prior to the First DIP Advance hereunder:

- (a) The Canadian Court shall have issued an initial order in substantially the form attached as **Schedule "D"** hereto (the "**Initial Order**") on or before July 19, 2023, the effect of which, among other things, is to authorize and approve the DIP Facility on the terms and conditions hereof including without limitation the DIP Charge (as defined below) securing the principal amount of \$1,751,409.00, plus interest fees and expenses payable pursuant to this DIP Agreement, and the other DIP Obligations not constituting the principal amount thereof with the priority contemplated herein, and such

Initial Order shall have been obtained on notice to such parties required by the DIP Lender;

- (b) The Borrowers shall have filed with the US Court a Petition for an Order Granting Provisional Relief to the Borrowers in a form acceptable to the DIP Lender in its sole discretion (the "**Provisional Relief Order**"), the effect of which shall be to, among other things, recognize the CCAA Proceedings and the Initial Order, and approve the DIP Facility and the DIP Charge, all on terms acceptable to the DIP Lender in its sole discretion;
- (c) Delivery to the DIP Lender, with a copy to the Monitor of a drawdown certificate, in substantially the form set out in **Schedule "C"** hereto, executed by an officer on behalf of the Borrowers, certifying, *inter alia*, that the proceeds of the First DIP Advance requested thereby will be applied solely (i) to pay Jones & Walden, LLC ("**JW**"), in its capacity as US counsel to the Borrowers, up to \$190,000.00 in satisfaction of JW's costs and expenses incurred in connection with the preparation of the Chapter 15 Proceedings on or before 5:00 p.m. (Eastern Standard Time) on July 21, 2023 (the "**JW Payment**") and (ii) in accordance with the DIP Agreement Cash Flow Projection and Section 3 of this DIP Agreement, that the Borrowers are in compliance with the Court Orders, and that no Default or Event of Default has occurred or is continuing;
- (d) The Initial Order shall be in full force and effect and shall not have been vacated, stayed or otherwise caused to become ineffective, or amended in a manner prejudicial to the DIP Lender;
- (e) There is no Default or Event of Default that has occurred and is continuing, nor will any such event occur as a result of the First DIP Advance;
- (f) No material adverse change in the financial condition or operation of the Borrowers or otherwise affecting the Borrowers shall have occurred after the date hereof;
- (g) Each of the representations and warranties made in this DIP Agreement shall be true and correct in all material respects as of the date made or deemed made and as of the date of the First DIP Advance (unless any

representation and warranty is qualified by materiality, in which case it shall be true and correct in all respects as of the date made or deemed made);

- (h) There are no pending motions for leave to appeal, appeals, or injunctions relating to the Initial Order, the DIP Facility, the DIP Charge or this DIP Agreement, or pending litigation seeking to restrain, vary or prohibit the operation of all or any part of the Initial Order or this DIP Agreement;
- (i) The DIP Lender has received, as and when required hereunder, all information to which it is entitled hereunder (including, without limitation, the information and cash flow projections required pursuant to Section 6 of this DIP Agreement);
- (j) There shall be no liens ranking in priority to the DIP Charge except for the Admin Charge (as defined below) and the KERP Charge (as defined below) (if applicable);
- (k) The Borrowers shall have paid all government statutory liens, trusts and other claims arising after the commencement of the Insolvency Proceedings (but for greater certainty, not including any such claims in existence at the time of the commencement of the Insolvency Proceedings) including, without limitation, source deductions (including similar employee remittances in respect of employees in the United States and the United Kingdom, if applicable), except, in each case, for any such amounts that are not yet due and payable or which are in dispute; and
- (l) The Borrowers shall be in compliance with all Court Orders.

## **2. CONDITIONS TO SECOND DIP ADVANCE**

The following conditions precedent shall be satisfied, or waived in writing by the DIP Lender, in its sole discretion, prior to the Second DIP Advance hereunder:

- (a) The US Court shall have issued the Provisional Relief Order, the effect of which shall be to, among other things, recognize the CCAA Proceedings and the Initial Order, and approve the DIP Facility and the DIP

Charge, all on terms acceptable to the DIP Lender in its sole discretion;

- (b) Delivery to the DIP Lender, with a copy to the Monitor of a drawdown certificate, in substantially the form set out in **Schedule "C"** hereto, executed by an officer on behalf of the Borrowers, certifying, *inter alia*, that the proceeds of the Second DIP Advance requested thereby will be applied solely in accordance with the DIP Agreement Cash Flow Projection and Section 3 of this DIP Agreement, that the Borrowers are in compliance with the Court Orders, and that no Default or Event of Default has occurred or is continuing;
- (c) The Initial Order and the Provisional Relief Order shall be in full force and effect and shall not have been vacated, stayed or otherwise caused to become ineffective, or amended in a manner prejudicial to the DIP Lender;
- (d) There is no Default or Event of Default that has occurred and is continuing, nor will any such event occur as a result of the Second DIP Advance;
- (e) No material adverse change in the financial condition or operation of the Borrowers or otherwise affecting the Borrowers shall have occurred after the date hereof;
- (f) Each of the representations and warranties made in this DIP Agreement shall be true and correct in all material respects as of the date made or deemed made and as of the date of the Second DIP Advance (unless any representation and warranty is qualified by materiality, in which case it shall be true and correct in all respects as of the date made or deemed made);
- (g) There are no pending motions for leave to appeal, appeals, or injunctions relating to the Initial Order, the DIP Facility, the DIP Charge or this DIP Agreement, or pending litigation seeking to restrain, vary or prohibit the operation of all or any part of the Initial Order or this DIP Agreement;
- (h) The DIP Lender has received, as and when required hereunder, all information to which it is entitled hereunder (including, without limitation, the

information and cash flow projections required pursuant to Section 6 of this DIP Agreement);

- (i) There shall be no liens ranking in priority to the DIP Charge except for the Admin Charge and the KERP Charge (if applicable);
- (j) The Borrowers shall have paid all government statutory liens, trusts and other claims arising after the commencement of the Insolvency Proceedings (but for greater certainty, not including any such claims in existence at the time of the commencement of the Insolvency Proceedings) including, without limitation, source deductions (including similar employee remittances in respect of employees located in the United States and United Kingdom, if applicable), except, in each case, for any such amounts that are not yet due and payable or which are in dispute;
- (k) The Borrowers shall be in compliance with all Court Orders; and
- (l) The Borrowers shall have paid the JW Payment on or before 5:00 p.m. (Eastern Standard Time) on July 21, 2023.

### **3. CONDITIONS TO THIRD DIP ADVANCE**

The following conditions precedent shall be satisfied, or waived in writing by the DIP Lender, in its sole discretion, prior to the Third DIP Advance hereunder:

- (a) The Canadian Court shall have issued an amended and restated initial order in form and substance satisfactory to the DIP Lender in its sole discretion (the "**ARIO**") on or before July 29, 2023, the effect of which, among other things, is to authorize and approve the DIP Facility on the terms and conditions hereof including without limitation the DIP Charge securing the principal amount of \$6,200,000.00 and the other DIP Obligations not constituting the principal amount thereof with the priority contemplated herein, and such ARIO shall have been obtained on notice to all parties entitled thereto pursuant to the CCAA or otherwise required by the DIP Lender;
- (b) The US Court shall have issued an Order Granting Additional Provisional Relief (the "**Additional**

**Provisional Relief Order**"), the effect of which shall be to, among other things, recognize the ARIO and approve the DIP Facility and the DIP Charge in accordance with the terms of the ARIO, all on terms acceptable to the DIP Lender in its sole discretion;

- (c) The Canadian Court shall have issued an order (the "**SISP Order**") approving a sales and investment solicitation process (the "**SISP**") on or before July 29, 2023, relating to the sale of all or substantially all of the assets of the Borrowers, which SISP Order and SISP shall be in a form and substance satisfactory to the DIP Lender in its sole discretion;
- (d) The ARIO, the SISP Order, the Additional Provision Relief Order and other Court Orders in the Insolvency Proceedings shall be in full force and effect and shall not have been vacated, stayed or otherwise caused to become ineffective or amended in a manner prejudicial to the DIP Lender;
- (e) Delivery to the DIP Lender, with a copy to the Monitor of a drawdown certificate, in substantially the form set out in **Schedule "C"** hereto, executed by an officer on behalf of the Borrowers, certifying, *inter alia*, that the proceeds of the Third DIP Advance requested thereby will be applied solely in accordance with the DIP Agreement Cash Flow Projection and Section 3 of this DIP Agreement, that the Borrowers are in compliance with the Court Orders, and that no Default or Event of Default has occurred or is continuing;
- (f) There is no Default or Event of Default that has occurred and is continuing, nor will any such event occur as a result of the Third DIP Advance;
- (g) No material adverse change in the financial condition or operation of the Borrowers or otherwise affecting the Borrowers shall have occurred after the date hereof;
- (h) Each of the representations and warranties made in this DIP Agreement shall be true and correct in all material respects as of the date made or deemed made and as of the date of the Third DIP Advance (unless any representation and warranty is qualified by materiality,

in which case it shall be true and correct in all respects as of the date made or deemed made);

- (i) The DIP Lender has received, as and when required hereunder, all information to which it is entitled hereunder (including, without limitation, the information and cash flow projections required pursuant to Section 6 of this DIP Agreement);
- (j) There are no pending motions for leave to appeal, appeals, or injunctions relating to the ARIO, the DIP Facility, the DIP Charge or this DIP Agreement, or pending litigation seeking to restrain, vary or prohibit the operation of all or any part of the ARIO or this DIP Agreement;
- (k) The Borrowers shall have paid all government statutory liens, trust and other claims arising after the commencement of the Insolvency Proceedings (but for greater certainty, not including any such claims in existence at the time of the commencement of the Insolvency Proceedings) including, without limitation, source deductions, except, in each case, for any such amounts that are not yet due and payable or which are in dispute;
- (l) There shall be no liens ranking in priority to the DIP Charge except for the Admin Charge and KERP Charge (if applicable);
- (m) All Expenses for which invoices have been provided to the Borrowers shall have been paid, or arrangements satisfactory to the DIP Lender shall have been made to pay such amounts; and
- (n) The Borrowers shall be in compliance with all Court Orders.

#### **4. CONDITIONS TO EACH SUBSEQUENT DIP DRAW**

The following conditions precedent shall be satisfied, or waived in writing by the DIP Lender, in its sole discretion, prior to each Subsequent DIP Draw hereunder:

- (a) The ARIO, the SISF Order, the Additional Provisional Relief Order and other Court Orders in the Insolvency Proceedings shall be in full force and effect and shall

not have been vacated, stayed or otherwise caused to become ineffective or amended in a manner prejudicial to the DIP Lender;

- (b) Delivery to the DIP Lender, with a copy to the Monitor, of a drawdown certificate, in substantially the form set out in **Schedule "C"** hereto, executed by an officer on behalf of the Borrowers, certifying, *inter alia*, that the proceeds of the Subsequent DIP Draw requested thereby will be applied solely in accordance with the DIP Agreement Cash Flow Projection and Section 3 of this DIP Agreement, that the Borrowers are in compliance with the Court Orders, and that no Default or Event of Default has occurred or is continuing;
- (c) At the time the Subsequent DIP Draw is requested, the current employees and contractors of each of the Borrowers, including senior management, are satisfactory to the DIP Lender in its sole discretion;
- (d) There is no Default or Event of Default that has occurred and is continuing, nor will any such event occur as a result of the Subsequent DIP Draw;
- (e) No material adverse change in the financial condition or operation of the Borrowers or otherwise affecting the Borrowers shall have occurred after the date hereof;
- (f) Each Subsequent DIP Draw (together with all previous DIP Advances) must be no greater in the aggregate than the Maximum Amount and shall be subject to the terms and conditions hereof;
- (g) Each of the representations and warranties made in this DIP Agreement shall be true and correct in all material respects as of the date made or deemed made and of the date of each Subsequent DIP Draw (unless any representation and warranty is qualified by materiality, in which case it shall be true and correct in all respects as of the date made or deemed made);
- (h) The DIP Lender has received, as and when required hereunder, all information to which it is entitled hereunder (including, without limitation, the information and cash flow projections required pursuant to Section 6 of this DIP Agreement);

- (i) There are no pending motions for leave to appeal, appeals, or injunctions relating to the DIP Facility, any Court Orders, the DIP Charge or this DIP Agreement, or pending litigation seeking to restrain, vary or prohibit the operation of all or any part of any Court Orders or this DIP Agreement;
- (j) There shall be no liens ranking in priority to the DIP Charge except for the Admin Charge and KERP Charge (if applicable);
- (k) The Borrowers shall have paid all government statutory liens, trust and other claims arising after the commencement of the Insolvency Proceedings (but for greater certainty, not including any such claims in existence at the time of the commencement of the Insolvency Proceedings) including, without limitation, source deductions (including similar employee remittances in respect of employees in the United States and the United Kingdom, if applicable), except, in each case, for any such amounts that are not yet due and payable or which are in dispute;
- (l) The Borrowers shall have diligently and in good faith implemented and be conducting or have conducted, as applicable, the SISP in accordance with the SISP Order;
- (m) All Expenses for which invoices have been provided to the Borrowers shall have been paid, or arrangements satisfactory to the DIP Lender shall have been made to pay such amounts; and
- (n) The Borrowers shall be in compliance with all Court Orders.

Notwithstanding the foregoing or any other provision of this DIP Agreement, to the extent that an emergency cash need arises in the Borrowers' business that is not contemplated in the DIP Agreement Cash Flow Projection, the Borrowers may request a Subsequent DIP Draw from the DIP Lender by providing written particulars relating to such emergency cash need to the DIP Lender and the Monitor, which Subsequent DIP Draw shall only be permitted with the prior written consent of the DIP Lender delivered to the Borrowers and the Monitor, in the DIP Lender's sole and absolute discretion, and

provided further that in no case shall the Maximum Amount be exceeded.

**9. DISBURSEMENTS**

The proceeds of the First DIP Advance, the Second DIP Advance and the Third DIP Advance shall be funded by the DIP Lender into the Borrowers' account noted in Schedule "E" hereto (the "**Borrowers' Account**").

The proceeds of each Subsequent DIP Draw shall be funded by the DIP Lender into a segregated trust account to be established and maintained by the Monitor (the "**Monitor's Trust Account**") solely for the purpose of administering DIP Advances in accordance with the terms of this DIP Agreement and the Court Orders of the Courts issued in the Insolvency Proceedings from time to time. The proceeds of each Subsequent DIP Draw shall be held in trust by the Monitor in the Monitor's Trust Account, to be disbursed solely in accordance with the terms of this DIP Agreement and the Court Orders of the Courts issued in the Insolvency Proceedings from time to time.

The Monitor shall provide the DIP Lender with account details for the Monitor's Trust Account in writing no less than three (3) business days prior to each Subsequent DIP Draw.

The proceeds of each Subsequent DIP Draw shall be deposited by the Monitor by way of direct deposit to the Borrowers' Account.

**10. VOLUNTARY PREPAYMENTS:**

The Borrowers may prepay the DIP Obligations at any time prior to the Maturity Date by effecting payment to the DIP Lender, to an account to be specified in writing in advance, in minimum amounts of \$500,000 and in increments of \$100,000 in excess thereof, without premium or penalty, and any amounts so prepaid may not be re-borrowed by the Borrowers hereunder.

**11. INTEREST RATE:**

The outstanding principal amount of all DIP Advances shall bear interest from the date of advance at a rate per annum equal to 15% (the "**Interest Rate**"), and upon the occurrence and during the continuance of an Event of Default, the Interest Rate shall be increased by an additional 2% per annum, payable monthly in arrears on the last business day of each calendar month.

The Borrowers shall pay interest on all DIP Advances by adding such accrued interest to the principal amount of the DIP

Obligations on the last business day of each calendar month. Amounts representing the interest payable hereunder that are added to the principal amount of the DIP Obligations shall thereafter constitute principal and bear interest in accordance with this Section 11.

Interest on all DIP Advances shall accrue daily from and after the date of such DIP Advance to the Borrowers or the Monitor, as the case may be, to, but excluding, the date of repayment, as well as before and after maturity, demand and default and before and after judgment, and shall be calculated and compounded on a daily basis on the principal amount of such advances and any overdue interest remaining unpaid from time to time and on the basis of the actual number of days elapsed in a year of 365 days.

For the purposes of the *Interest Act* (Canada), the annual rates of interest referred to in this DIP Agreement calculated in accordance with the foregoing provisions of this DIP Agreement, are equivalent to the rates so calculated multiplied by the actual number of days in a calendar year and divided by 365 or 366, as the case may be.

If any provision of this DIP Agreement or any ancillary document in connection with this DIP Agreement would obligate the Borrowers to make any payment of interest or other amount payable to the DIP Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the DIP Lender of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)) then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the DIP Lender of interest at a criminal rate and any such amounts actually paid by the Borrowers in excess of the adjusted amount shall be forthwith refunded to the Borrowers.

**12. DIP SECURITY:**

All of the DIP Obligations shall be secured by a Court-ordered charge (the "**DIP Charge**") over all present and after-acquired property, assets and undertakings of the Borrowers (including for greater certainty and without limitation, insurance proceeds, intellectual property, goods, documents of title, investment property, securities now owned or hereafter owned or acquired by or on behalf of the Borrowers and those assets set forth on the financial statements of the Borrowers),

including all proceeds therefrom and all causes of action of the Borrowers (collectively, the "**Collateral**").

The DIP Charge shall be a super-priority charge which shall rank ahead of all existing, liens, claims, trusts and charges, but shall be subject to and shall rank behind an administration charge (the "**Admin Charge**") in the maximum amount of \$500,000.00 to secure payment of the fees, expenses and disbursements of: (i) the Borrowers' Canadian, US and, if determined necessary, in the sole discretion of the DIP Lender, UK counsel; (ii) the Monitor and its Canadian, US and, if determined necessary, in the sole discretion of the DIP Lender, UK counsel; and (iii) if necessary, a charge in an amount acceptable to the DIP Lender, in its sole discretion, to secure a key employee retention plan for certain of the Borrowers' critical employees (the "**KERP Charge**"). For greater certainty, the DIP Charge shall rank in priority to the following additional priority charges: (A) a charge in an amount not to exceed \$724,000.00 in favour of the officers and directors of the Borrowers (the "**D&O Charge**") to secure the customary obligations and liabilities that they may incur in such capacity from and after the commencement of the Insolvency Proceedings as a backstop to any available directors' and officers' insurance and to the extent that any funds in trust for such persons are not sufficient to satisfy such claims; and (B) if necessary, a charge in an amount acceptable to the DIP Lender, in its sole discretion, to secure intercompany advances between certain of the Borrowers (the "**Intercompany Charge**").

### **13. MANDATORY REPAYMENTS:**

The proceeds of any debt or equity issuance by the Borrowers that occurs from and after the date hereof, and the proceeds of Collateral (for greater certainty, net of reasonable costs and closing adjustments, as applicable), including, without limitation, arising from: (a) any sale of Collateral out of the ordinary course of business (including for greater certainty, any sale of all or substantially all of the Collateral); or (b) insurance proceeds in respect of any damage, loss or destruction of the Collateral (collectively, the "**Net Proceeds**") shall be paid: (i) first, to satisfy the Admin Charge and KERP Charge (if applicable); (ii) second, to satisfy the DIP Obligations; (iii) third, to satisfy any other priority charges in accordance with their priorities; (iv) fourth, to satisfy other indebtedness and liabilities of the Borrowers as may be ordered by the Court in accordance with their priorities; and (v) fifth,

to the Borrowers or such other persons as are entitled thereto in accordance with applicable law.

The Maximum Amount shall be permanently reduced in an amount equal to the Net Proceeds paid to the DIP Lender and applied to the aggregate principal amount of the DIP Advances in accordance with Section 5 of this DIP Agreement. For greater certainty, any mandatory repayments shall not be subject to any premium or penalty.

**14. REPRESENTATIONS AND WARRANTIES:**

Each of the Borrowers jointly and severally represents and warrants to the DIP Lender, upon which the DIP Lender relies in entering into this DIP Agreement, that subject to the entry of the Initial Order and the Provisional Relief Order:

- (a) Each Borrower is a corporation duly incorporated and validly existing under the laws of its governing jurisdiction and is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions in which the nature of its assets or business makes such qualification necessary, except where the failure to have such qualification, license or registration would not have a Material Adverse Effect (as defined below). For the purpose of this DIP Agreement, "**Material Adverse Effect**" means a material adverse effect on: (i) the financial condition, business or assets of the Borrowers; or (ii) the ability of the Borrowers to comply with their obligations hereunder or under any Court Order;
- (b) Subject to the granting of the Initial Order, the Provisional Relief Order, the ARIO and the Additional Provisional Relief Order, as the case may be, each Borrower has all requisite corporate or other power and authority to: (i) carry on its business; (ii) own property, borrow monies and enter into agreements therefor; and (iii) execute and enter into this DIP Agreement and observe and perform the terms and provisions hereof;
- (c) Subject to the granting of the Initial Order, the Provisional Relief Order, the ARIO or the Additional Provisional Relief Order, as the case may be, the execution and delivery of this DIP Agreement by each Borrower and the performance by each Borrower of its obligations hereunder has been duly authorized by all necessary corporate or other action and any actions required under applicable laws. Except as has been

obtained and is in full force and effect, no registration, declaration, consent, waiver or authorization of, or filing with or notice to, any governmental body is required to be obtained in connection with the performance by the Borrowers of their obligations under this DIP Agreement;

- (d) Subject to the granting of the Initial Order, Provisional Relief Order, the ARIO or the Additional Provisional Relief Order, as the case may be, this DIP Agreement has been duly executed and delivered by each Borrower and constitutes a legal, valid and binding obligation of each Borrower, enforceable against it in accordance with its terms, subject only to any limitation under applicable laws relating to: (i) bankruptcy, insolvency, reorganization, moratorium or creditors' rights generally; (ii) the fact that specific performance and injunctive relief may only be given at the discretion of the courts; and (iii) the equitable or statutory powers of the courts to stay proceedings before them and to stay the execution of judgments;
- (e) The execution and delivery of this DIP Agreement by each Borrower and the performance by each Borrower of its obligations hereunder and compliance with the terms, conditions and provisions hereof, will not conflict with or result in a breach in any material respect of any of the terms, conditions or provisions of: (i) its constating documents (including any shareholders' agreements) or by-laws; (ii) any applicable laws; (iii) except as stayed pursuant to the Insolvency Proceedings by the terms of the Initial Order, the Provisional Relief Order, the ARIO or the Additional Provisional Relief Order, as the case may be, any contractual restriction binding on or affecting it or its material properties; or (iv) any material judgment, injunction, determination or award which is binding on it;
- (f) Each Borrower is in compliance with all applicable laws of each jurisdiction in which its business has been or is being carried on, non-compliance with which would reasonably be expected to have a Material Adverse Effect;
- (g) Unless previously disclosed or otherwise known to the DIP Lender or the Existing Lenders, to the Borrowers'

Knowledge (as defined below), there are no actions, suits or proceedings pending, taken or, threatened, before or by any governmental body or by any elected or appointed public official or private person in Canada or elsewhere, whether or not having the force of law, which would reasonably be expected to have a Material Adverse Effect and have not been stayed pursuant to the Insolvency Proceedings. For the purpose of this DIP Agreement "**Borrowers' Knowledge**" means the actual knowledge of the senior officers and directors of the Borrowers and the knowledge that such individuals would have had if they had conducted a reasonably diligent inquiry into the relevant subject matter;

- (h) The DIP Agreement Cash Flow Projection includes a provision for payment of all projected obligations of any kind whatsoever reasonably anticipated by the Borrowers on the date hereof that, if not paid, could result in statutory liens ranking in priority to the DIP Charge, except for purchase money security interests;
- (i) As at the date of the Initial Order, the Borrowers have good and marketable title to all of the Collateral;
- (j) Except as previously disclosed in writing by the Borrowers to the DIP Lender and set out on **Schedule "F"**, as at June 20, 2023, each Borrower has filed all material tax returns that are required to be filed and has in all material respects paid all taxes, interest and penalties, if any, which have become due pursuant to such returns or pursuant to any assessment received by it, except any such assessment that is being contested in good faith by proper legal proceedings. Without limiting the foregoing, all employee source deductions (including in respect of income taxes, employment insurance and Canada Pension Plan) payroll taxes and workers' compensation dues are currently paid and up to date, subject to normal course accruals, except as previously disclosed in writing by the Borrowers to the DIP Lender and set out on **Schedule "F"**;
- (k) Except as previously disclosed in writing by the Borrowers to the DIP Lender and set out on **Schedule "G"**, there are no actions, suits or proceedings (including any tax-related matter) by or before any arbitrator or governmental authority or by any other person pending against or threatened against or

affecting each Borrower that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect that have not been stayed pursuant to the Insolvency Proceedings;

- (l) Each Borrower maintains insurance policies and coverage that: (i) is sufficient for compliance with any applicable law and all material agreements to which it is a party; and (ii) provide adequate insurance coverage in at least such amounts and against at least such risks as are usually insured against in the same general area by persons engaged in the same or similar business to the assets and operations of such Borrower;
- (m) All factual information provided by or on behalf of each Borrower to the DIP Lender for the purposes of or in connection with this DIP Agreement or any transaction contemplated herein, is true and accurate in all material respects on the date as of which such information is dated or certified and remains true in all material respects as of the date provided and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided. With respect to any projections, future business plans or forward looking financial statements, the Borrowers are not guaranteeing in giving this representation and warranty that the actual future results will be as forecast or projected (but, for greater certainty, the DIP Lender has all of its rights hereunder in the event that such actual future results are not as forecast or projected, including, without limitation, as provided for in Section 18(e) of this DIP Agreement); and
- (n) As of the date hereof, each Borrower does not administer any pension plans (for clarity, other than a “401k plan” in the United States) and does not have any outstanding payment obligations in respect of special payments or amortization payments, including without limitation, in respect of any pension plan, payments related to post-retirement benefits, solvency deficiencies or wind-up shortfalls in relation to any pension plan.

**15. AFFIRMATIVE COVENANTS:**

Each of the Borrowers jointly and severally covenants and agrees to do the following until such time as the DIP Obligations are indefeasibly repaid in full or otherwise satisfied through "credit bidding" pursuant to the SISP:

- (a) Keep the DIP Lender apprised on a timely basis of all material developments with respect to the Collateral and the business and affairs of the Borrowers;
- (b) Subject to the terms of the SISP and the SISP Order, keep the DIP Lender apprised on a timely basis of all material developments with respect to the SISP, and cause its legal counsel to do the same, including, without limitation, by providing copies of all offers (whether binding or not) to the DIP Lender;
- (c) Perform its obligations hereunder and under any other contract or agreement with the DIP Lender or any of its affiliates as and when required and in the manner required;
- (d) Use the proceeds of the DIP Facility (at all times solely in accordance with the terms hereof and the DIP Agreement Cash Flow Projections subject to the Permitted Variance) only for the limited purpose of facilitating the Insolvency Proceedings, including the SISP and for the purpose of funding: (i) transaction costs and expenses incurred by the DIP Lender in connection with the DIP Facility; (ii) professional fees and expenses incurred by the Borrowers, the Monitor and the DIP Lender in respect of the Insolvency Proceedings; and (iii) operating costs, expenses, capital expenditures and ordinary course liabilities (including, without limitation, wages, vacation pay and active employee benefits) of the Borrowers;
- (e) Comply with the provisions of the court orders made in connection with the Insolvency Proceedings (collectively, the "**Court Orders**" and each a "**Court Order**");
- (f) Preserve, renew and keep in full force the Borrowers' corporate or other existence and all material licenses, permits or approvals required in respect of their respective business, properties, assets or any activities or operations carried out therein;

- (g) Maintain the insurance in existence of the date hereof with respect to the Collateral;
- (h) Conduct its activities in accordance with the DIP Agreement Cash Flow Projection, subject to the Permitted Variance;
- (i) Promptly notify the DIP Lender and the Monitor of the occurrence of any Event of Default, or of any event or circumstance (a "**Default**") that may, with the passage of time or the giving of notice, constitute an Event of Default;
- (j) Promptly notify the DIP Lender and the Monitor of the commencement of, or receipt of notice of intention to commence, any action, suit, investigation, litigation or proceeding before any court, governmental department, board, bureau, agency or similar body affecting the Borrowers;
- (k) Promptly after the same is available, but in no event later than the day that is three (3) business days prior to the date on which the same is to be served or if such advance notice is not possible then as soon as reasonably practicable prior to the date on which the same is to be served, provide copies to the DIP Lender of all pleadings, motion records, application records, judicial information, financial information and other documents filed by or on behalf of the Borrowers in the Insolvency Proceedings;
- (l) Subject to the CCAA and the Court Orders, comply in all material respects with all applicable laws, rules and regulations applicable to its business, including, without limitation, health and safety, and environmental laws;
- (m) With the consent of the DIP Lender, except where a stay of proceedings or Court Order otherwise applies, pay when due all government statutory liens, trust and other Crown claims including employee source deductions, outstanding source deductions owing by the Borrowers prior to the commencement of the Insolvency Proceedings in accordance with the Side Letter Agreement dated June 27, 2023 among certain of the Borrowers and Existing Lenders, GST, HST, PST, employer health tax, and workplace safety and

insurance premiums, but only with respect to: (i) payments that rank in priority to the DIP Charge; (ii) payments that are otherwise authorized pursuant to Court Order; or (iii) payments of commercial liability and directors' and officers' insurance premiums to maintain such insurance policies;

- (n) Treat as unaffected the DIP Obligations in any plan of compromise or arrangement, proposal or any other restructuring whatsoever;
- (o) At all times be and remain subject to the Insolvency Proceedings until the DIP Obligations are irrevocably and unconditionally repaid in full or otherwise satisfied through credit bidding pursuant to the SISP, with no further right to DIP Advances;
- (p) Ensure that all motion records, pleadings, application records, orders and other documents (collectively, the "**Court Documents**") filed, proposed, sought, served, and obtained by the Borrowers or in respect of which the Borrowers consent or do not object, in or in connection with the Insolvency Proceeding shall be in form and substance reasonably satisfactory to the DIP Lender, and provide to the DIP Lender copies of such Court Documents as soon as practicable prior to any filing or service in the Insolvency Proceedings, but in no event later than the day that is three (3) business days prior to the date on which the same is to be served or if such advance notice is not possible then as soon as reasonably practicable prior to the date on which the same is to be served;
- (q) Subject to the Court Orders, grant the DIP Lender and its professional advisors reasonable access to the Collateral and their business, properties, and books and records; and
- (r) Conduct the SISP strictly in accordance with its terms (including milestones and timelines) and strictly comply with the SISP Order.

**16. NEGATIVE COVENANTS:**

Each of the Borrowers jointly and severally covenants and agrees not to do the following or permit any subsidiary to do the following while any DIP Obligations remain outstanding,

other than with the prior written consent of the DIP Lender or pursuant to an Order of the Court:

- (a) Transfer, lease or otherwise dispose of all or any part of its property, assets or undertaking except: (i) where permitted pursuant to the Initial Order or ARIO; and (ii) where such transaction results in the repayment of DIP Obligations in accordance with Section 13 of this DIP Agreement;
- (b) Make any payment of principal or interest in respect of any indebtedness outstanding prior to Initial Order ("**Existing Indebtedness**") other than as may be permitted or required herein or by a Court Order;
- (c) Create or permit to exist indebtedness for borrowed money other than: (i) Existing Indebtedness; (ii) debt contemplated by this DIP Facility; and (iii) post-filing trade credit obtained in the ordinary course of business, in accordance with the DIP Agreement Cash Flow Projection;
- (d) Permit any new liens to exist on any Collateral other than the Admin Charge, the KERP Charge (if applicable), the DIP Charge, the D&O Charge and the Intercompany Charge (if applicable);
- (e) Either: (i) change its name, amalgamate, consolidate with or merge into, or enter into any similar transaction with any other entity; or (ii) make any changes to its organizational documents that could be adverse to the DIP Lender;
- (f) Other than as permitted by the terms of this DIP Agreement, make any acquisitions, investments or loans to any person or guarantee the obligations of any person, other than those in existence on the date hereof and disclosed to the DIP Lender in writing;
- (g) Enter into any transaction with any affiliate other than: (i) any transaction on terms and conditions at least as favourable to the Borrowers as could reasonably be obtained in an arm's-length transaction; or (ii) those in existence on the date hereof and disclosed to the DIP Lender in writing;
- (h) Pay any dividends, distributions or advances to shareholders of the Borrowers, or any management

bonus or similar payments except to the extent provided for in the DIP Agreement Cash Flow Projection;

- (i) Engage in new businesses;
- (j) Change its fiscal year or accounting practices;
- (k) Issue any equity;
- (l) Take any action (or in any way support the taking of any action by another person) that has, or may have, a material adverse impact on the rights and interests of the DIP Lender, including, without limitation, any action in furtherance of challenging the validity, enforceability or amount of the DIP Obligations; and
- (m) Except in accordance with the SISP Order, commence, continue or seek any stakeholder or court approval for any sale, restructuring transaction or plan without the prior written consent of the DIP Lender in its sole discretion.

**17. INDEMNITY AND  
RELEASE:**

The Borrowers agree to indemnify and hold harmless the DIP Lender, the Existing Lenders and each of their respective directors, officers, employees, partners, agents, attorneys, advisors and affiliates (all such persons and entities being referred to hereafter as "**Indemnified Persons**", and each, an "**Indemnified Person**") from and against any and all actions, suits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever (excluding indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against or involve any Indemnified Person as a result of or arising out of or in any way related to or resulting from the Insolvency Proceedings, this DIP Agreement or any advance made hereunder, and, upon demand, to pay and reimburse any Indemnified Person for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding (including, without limitation, any inquiry or investigation) or claim (whether or not any Indemnified Person is a party to any action or proceeding out of which any such expenses arise); provided, however, the Borrowers shall not be obligated to indemnify pursuant to this paragraph any Indemnified Person against any loss, claim, damage, expense or liability to the extent it resulted from the gross negligence or willful misconduct of such Indemnified

Person as finally determined by a court of competent jurisdiction. For the avoidance of doubt, this indemnity does not apply to fees and costs, including legal fees, incurred by the Existing Lenders in connection with existing suits, actions or litigation in Canada and the United States in which the Existing Lenders (or any one of them) are co-defendants with the Borrowers.

The indemnities granted under this DIP Agreement shall survive any termination of the DIP Facility.

The Borrowers shall not contest, challenge or in any way oppose (or support any other person in contesting, challenging or opposing) the validity and enforceability of the DIP Obligations or any loan, security or other documents relating thereto. The Borrowers further covenant to, and do hereby, release the DIP Lender solely in its capacity as lender hereunder and its respective predecessors, successors, agents, advisors, representatives and assigns of and from all claims and liabilities relating to any act or omission related to this DIP Agreement that occurred prior to the date of this DIP Agreement.

**18. EVENTS OF DEFAULT:**

The occurrence of any one or more of the following events, without the prior written consent of the DIP Lender, shall constitute an event of default ("**Event of Default**") under this DIP Agreement:

- (a) The issuance of any order terminating the CCAA Proceedings or the Chapter 15 Proceedings, or lifting the stay in the CCAA Proceedings or the Chapter 15 Proceedings to permit the enforcement of any security against any of the Borrowers or the Collateral (being Collateral with an aggregate fair market value as reasonably determined by the Borrowers in excess of \$100,000), or the appointment of a receiver and manager, receiver, interim receiver or similar official or the making of a bankruptcy order against any of the Borrowers or the Collateral;
- (b) The issuance of an order granting a lien of equal or superior status to that of the DIP Charge, other than as provided in Section 12 of this DIP Agreement;
- (c) The issuance of any Court Order: (i) staying, reversing, vacating or otherwise modifying the DIP Charge; or (ii) that adversely impacts or could reasonably be expected

to adversely impact the rights and interests of the DIP Lender in connection with the Collateral or under this DIP Agreement or any Court Order, as determined by the DIP Lender in its sole discretion, acting reasonably; provided; however, that any such order that provides for payment in full forthwith of all of the DIP Obligations shall not constitute an Event of Default;

- (d) Failure of the Borrowers to pay any principal, interest, fees or any other amounts, in each case when due and owing hereunder (subject to a three (3) business day cure period in the case of interest, fees and any other amounts (other than principal amounts) due hereunder);
- (e) Any update to the DIP Agreement Cash Flow Projection required to be made in accordance with Section 6 of this DIP Agreement indicating that the Borrowers would require additional funding above the Maximum Amount to meet their obligations at any time during the period of the DIP Agreement Cash Flow Projection;
- (f) Any representation or warranty by any of the Borrowers herein or in any certificate delivered by any of the Borrowers to the DIP Lender shall be incorrect or misleading in any material respect as of the date made or deemed made;
- (g) A Court Order is made, a liability arises or an event occurs, including any change in the business, assets, or conditions, financial or otherwise, of the Borrowers, that has or will have a Material Adverse Effect; provided that the forgoing shall exclude changes to the Borrowers' business or its performance solely as a result of (i) the commencement, announcement or continuance of the Insolvency Proceedings or (ii) conducting the SISF;
- (h) Any breach of any Court Order upon receipt by the Borrowers of notice from the DIP Lender of such breach by the Borrowers;
- (i) Failure of the Borrowers to perform or comply with any other term or covenant under this DIP Agreement and such Default shall continue unremedied for a period of three (3) business days after the earlier of (i) delivery of notice given by the DIP Lender to the Borrowers,

with a copy to the Monitor or (ii) the Borrowers' Knowledge of such failure to perform or comply;

- (j) The commencement by any Borrower of an action or any other proceeding against the DIP Lender;
- (k) The expiry without further extension of the stay of proceedings provided for in the Initial Order or the ARIIO, as applicable;
- (l) Any change of control of the Borrowers; or
- (m) The seeking or support by the Borrowers, or the issuance, of any court order (in the Insolvency Proceedings or otherwise) that is materially inconsistent with the terms of this DIP Agreement.

**19. CHIEF  
RESTRUCTURING  
OFFICER**

At any time during the Insolvency Proceedings, at the request of the DIP Lender and with the consent of the Monitor, the Borrowers will immediately seek the appointment of a Chief Restructuring Officer acceptable to the DIP Lender (the "**CRO**"). The terms of engagement of the CRO, including the remuneration payable to the CRO, must be acceptable to the DIP Lender.

**20. REMEDIES:**

Upon the occurrence and during the continuance of an Event of Default, whether or not there is availability under the DIP Facility: (a) without any notice to the Borrowers, the Borrowers shall have no right to receive any additional DIP Advances or other accommodation of credit from the DIP Lender except in the sole discretion of the DIP Lender; and (b) the DIP Lender may immediately terminate the DIP Facility and demand immediate payment of all of the DIP Obligations by providing such a notice and demand to the Borrowers, with a copy to the Monitor. With the leave of the Canadian Court sought on not less than three (3) business days' notice to the Borrowers and the Monitor after the occurrence and during the continuance of an Event of Default, the DIP Lender shall have the right to: (a) enforce the DIP Charge and to exercise all other rights and remedies in respect of the DIP Obligations and the DIP Charge, including the right to realize on all Collateral and to apply to the Canadian Court for the appointment of a court-appointed receiver (and seek recognition of such appointment from the US Court), subject to the application of proceeds of realization to the Admin Charge and KERP Charge, if applicable; (b) exercise the rights of a secured party under the *Personal Property Security Act* (British Columbia), the

*Personal Property Security Act* (Ontario) or any other applicable law relating to the enforcement of liens by secured parties against any type of property, including the Collateral; (c) apply to the Canadian Court for an order on terms satisfactory to the Monitor and the DIP Lender, providing the Monitor with the power, in the name of and on behalf of the Borrowers, to take all necessary steps in the CCAA Proceedings; and (d) exercise all such other rights and remedies under the Court Orders and applicable law. No failure or delay by the DIP Lender in exercising any of its rights hereunder or at law shall be deemed a waiver of any kind, and the DIP Lender shall be entitled to exercise such rights in accordance with this DIP Agreement at any time. The rights and remedies of the DIP Lender under this DIP Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise, including under the CCAA.

**21. COMMITMENT FEE:**

The Borrowers shall pay to the DIP Lender a commitment fee (the "**Commitment Fee**"), as compensation for making the DIP Facility available, in an amount equal to 2% of the Maximum Amount (being \$124,000.00). The Commitment Fee shall be earned and payable upon execution and delivery of this DIP Agreement to the DIP Lender and approval of this DIP Agreement, the ARIO and the Additional Provisional Relief Order. The Commitment Fee, once earned and payable, shall be non-refundable under all circumstances and shall be paid by adding the amount of such fee to the principal amount of the DIP Obligations on the Maturity Date. Amounts representing the Commitment Fee that are added to the principal amount of the DIP Obligations shall thereafter constitute principal and bear interest in accordance with Section 11 of this DIP Agreement.

**22. LEGAL FEES:**

The Borrowers shall pay by wire transfer, within seven (7) days of receipt of a summary invoice, all reasonable and documented out-of-pocket expenses, including all reasonable legal expenses on a solicitor-client basis, incurred by the DIP Lender in connection with the Insolvency Proceedings, this DIP Agreement and the DIP Facility, including those with respect to any enforcement of the terms hereof or of the DIP Charge or otherwise incurred in connection with the DIP Facility (the "**Expenses**"). Subject to Court approval of this DIP Agreement, all Expenses shall be non-refundable under all circumstances.

Notwithstanding the preceding paragraph, at the sole discretion of the DIP Lender, expenses may be paid by adding the amount of the Expenses to the principal amount of the DIP Obligations on the Maturity Date. Amounts representing the Expenses that are added to the principal amount of the DIP Obligations shall thereafter constitute principal and bear interest in accordance with Section 11 of this DIP Agreement.

**23. DIP LENDER APPROVALS:**

Any consent, approval, instruction or other expression of the DIP Lender to be delivered in writing may be delivered by any written instrument, including by way of email, by the DIP Lender pursuant to the terms hereof.

**24. EVIDENCE OF INDEBTEDNESS**

The DIP Lender's accounts and records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrowers to the DIP Lender under the DIP Facility.

**25. TAXES:**

All payments by the Borrowers under this DIP Agreement to the DIP Lender, including any payments required to be made from and after the exercise of any remedies available to the DIP Lender upon an Event of Default, shall be made free and clear of, and without reduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any kind or nature whatsoever or any interest or penalties payable with respect thereto now or in the future imposed, levied, collected, withheld or assessed by any country or any political subdivision of any country (collectively, "**Taxes**").

**26. FURTHER ASSURANCES:**

The Borrowers shall, at their expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents and things as the DIP Lender may reasonably request for the purpose of giving effect to this DIP Agreement. Without limiting the foregoing, the Borrowers agree that if so requested by the DIP Lender, acting reasonably, they shall promptly execute and deliver to the DIP Lender any general security agreement or other security documents securing their obligations to the DIP Lender hereunder in forms reasonable and customary for debtor in possession financings, provided however that the execution of any such security document shall not be a condition precedent to funding the Maximum Amount or DIP Advances hereunder.

**27. ENTIRE AGREEMENT;**

This DIP Agreement, including the schedules hereto constitutes the entire agreement between the parties relating to the subject matter hereof.

**28. AMENDMENTS, WAIVERS, ETC.:**

No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder will operate as a waiver hereof or thereof unless made in writing and delivered in accordance with the terms of this DIP Agreement. Any amendment to the terms of this DIP Agreement shall be made in writing and signed by the parties hereto.

**29. ASSIGNMENT:**

After the occurrence and during the continuance of an Event of Default, the DIP Lender may assign this DIP Agreement and its rights and obligations hereunder, in whole or in part, to any party acceptable to the DIP Lender in its sole and absolute discretion, provided that the Monitor shall have provided its prior written consent based solely on the Monitor being satisfied that the proposed assignee has the financial capacity to act as DIP Lender.

Prior to the occurrence and continuance of an Event of Default, the DIP Lender shall not be permitted to assign its rights and obligations hereunder, in whole or in part, without the prior written consent of: (i) the Borrowers, such consent not to be unreasonably withheld; and (ii) the Monitor, including that the Monitor is satisfied that the proposed assignee has the financial capacity to act as DIP Lender.

Neither this DIP Agreement nor any right and obligation hereunder may be assigned by the Borrowers.

**30. SEVERABILITY:**

Any provision in this DIP Agreement that is prohibited or 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 or affecting the validity or enforceability of such provision in any other jurisdiction.

**31. COUNTERPARTS AND SIGNATURES:**

This DIP Agreement may be executed in any number of counterparts and by electronic transmission, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this DIP Agreement by signing any counterpart of it.

**32. DISCLOSURE**

Except as required by applicable laws (including any Court Orders), the Borrowers shall not issue any press release or

make any public announcement concerning this DIP Agreement, the Insolvency Proceedings or the operations of their business (the "**Communications**"), without the prior written consent of the DIP Lender, which is not to be unreasonably withheld. The Borrowers shall provide the DIP Lender with a reasonable opportunity to review and comment on all Communications in respect of this DIP Agreement, the Insolvency Proceedings or the operations of their business to their employees, contractors, business partners and contractual counter-parties or to the public prior to such Communications being issued or published.

**33. NOTICES:**

Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to the attention of the person as set forth below:

**(a) In the case of the Borrowers:**

BRON Studios  
5548 Short Street  
Burnaby BC V5J 1L9

Attention: Aaron Gilbert  
Email: [agilbert@bronstudios.com](mailto:agilbert@bronstudios.com)

With a copy to:

Miller Thomson LLP  
40 King Street West, Suite 5800  
Toronto, ON M5H 3S1

Attention: Asim Iqbal  
Email: [aiqbal@millerthomson.com](mailto:aiqbal@millerthomson.com)

And to US counsel:

Jones Walden LLC  
699 Piedmont Ave NE  
Atlanta, GA 30308, USA

Attention: Cameron McCord  
Email: [cmccord@joneswalden.com](mailto:cmccord@joneswalden.com)

And with a copy to the Monitor:

Grant Thornton Limited  
Suite 1600 - 333 Seymour Street

Vancouver, BC V6B 0A4

Attention: Mark Wentzell  
Email: [Mark.Wentzell@ca.gt.com](mailto:Mark.Wentzell@ca.gt.com)

And with a copy to the Monitor's Counsel:

Cassels Brock & Blackwell LLP  
Suite 3200, Bay Adelaide Centre – North Tower  
40 Temperance Street  
Toronto, ON M5H 0B4

Attention: John Birch  
Email: [jbirch@cassels.com](mailto:jbirch@cassels.com)

**(b) In the case of the DIP Lender:**

Creative Wealth Media Lending LP 2016

c/o Creative Wealth Media GenPar Ltd.  
151 Bloor Street West, Suite 700  
Toronto, ON M5S 1S4

Attention: Richard McConnell  
Email: [richard.mcconnell@cwmoviefund.ca](mailto:richard.mcconnell@cwmoviefund.ca)

With a copy to:

Bennett Jones LLP  
3400 One First Canadian Place  
P.O. Box 130  
Toronto, ON M5X 1A4

Attention: Peter Dunne, Mike Shakra and Joshua Foster  
Email: [Dunnep@bennettjones.com](mailto:Dunnep@bennettjones.com) /  
[shakram@bennettjones.com](mailto:shakram@bennettjones.com) / [fosterj@bennettjones.com](mailto:fosterj@bennettjones.com)

And with a copy to:

Parker, Hudson, Rainer & Dobbs LLP  
303 Peachtree Street NE, Suite 3600  
Atlanta, GA 30308, USA

Attention: Bryan Bates  
Email: [bbates@phrd.com](mailto:bbates@phrd.com)

Any such notice shall be deemed to be given and received,  
when received, unless received after 5:00 PT or on a day other

than a business day, in which case the notice shall be deemed to be received the next business day.

**34. GOVERNING LAW  
AND JURISDICTION:**

This DIP Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

**35. CURRENCY AND  
JUDGMENT CURRENCY:**

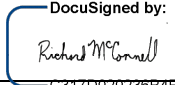
Unless otherwise specified herein, all dollar amounts are in the lawful currency of the United States of America. The Borrowers shall pay to the DIP Lender all payments on account of principal and interest hereunder in lawful money of the United States of America.

If in the recovery by the DIP Lender of any amount owing by the Borrowers hereunder in any currency, judgment can only be obtained in another currency and because of changes in the exchange rate of such currencies between the date of judgment and payment in full of the amount of such judgment, the amount received by the DIP Lender is less than the recovery provided for under the judgment, the Borrowers shall immediately pay any such shortfall to the DIP Lender and such shortfall can be claimed by the DIP Lender against the Borrowers as an alternative or additional cause of action.

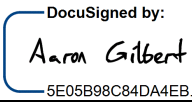
*[- Signature pages follow -]*

**IN WITNESS HEREOF**, the parties hereby execute this DIP Agreement as at the date first above mentioned.

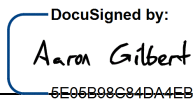
**CREATIVE WEALTH MEDIA  
LENDING LP 2016**, by its general  
partner, **CREATIVE WEALTH MEDIA  
GENPAR LTD**

Per:   
Name: Richard McConnell  
Title: President

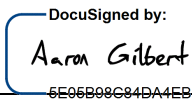
**BRON ANIMATION INC.**

Per:  \_\_\_\_\_  
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

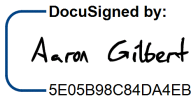
**BRON CREATIVE CORP.**

Per:  \_\_\_\_\_  
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

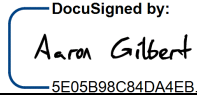
**BRON DEVELOPMENTS INC.**

Per:  \_\_\_\_\_  
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

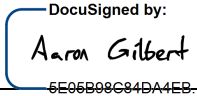
**BRON MEDIA CORP.**

Per:  \_\_\_\_\_  
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

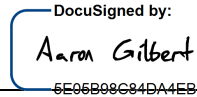
**BRON MEDIA HOLDINGS INTL.  
CORP.**

Per:  \_\_\_\_\_  
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the  
corporation

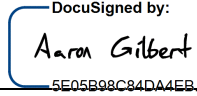
**BRON MEDIA HOLDINGS USA INC.**

Per:  \_\_\_\_\_  
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the  
corporation

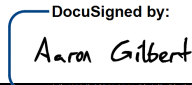
**BRON RELEASING INC.**

Per:  \_\_\_\_\_  
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the  
corporation


**BRON STUDIOS INC.**

Per:  \_\_\_\_\_  
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the  
corporation

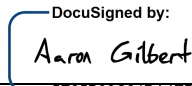
**BRON VENTURES 1 (CANADA)  
CORP**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation


**BRON EVEREST PRODUCTIONS  
INC.**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

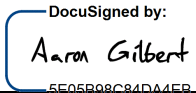
**FABLES PRODUCTIONS BC INC.**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

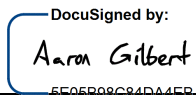
**GOSSAMER PRODUCTIONS BC INC.**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

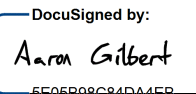
**HENCH 2 BC PRODUCTIONS INC.**

Per:  \_\_\_\_\_  
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

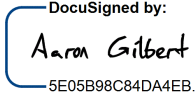
**HENCHMEN PRODUCTIONS INC.**

Per:  \_\_\_\_\_  
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

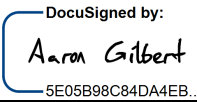
**ROBIN HOOD DIGITAL PC BC INC.**

Per:  \_\_\_\_\_  
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

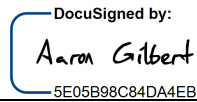
**WINDOR PRODUCTIONS BC INC.**

Per:  \_\_\_\_\_  
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

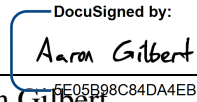
**BRON CREATIVE USA, CORP.**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

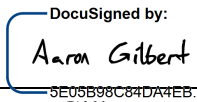
**BRON DIGITAL USA, LLC**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

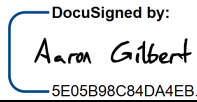
**BRON LIFE USA INC. (BRON LEGACY USA INC.)**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

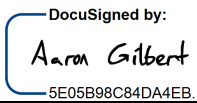
**BRON MEDIA HOLDINGS USA CORP.**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

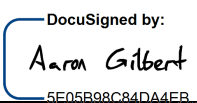
**BRON RELEASING USA INC.**

Per:  \_\_\_\_\_  
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

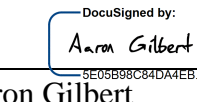
**BRON STUDIOS USA INC.**

Per:  \_\_\_\_\_  
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

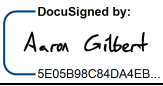
**BRON VENTURES 1, LLC**

Per:  \_\_\_\_\_  
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

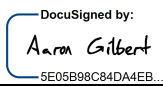
**BRON STUDIOS USA DEVELOPMENTS INC.**

Per:  \_\_\_\_\_  
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

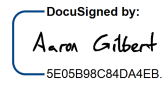
**BAKHORMA, LLC**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

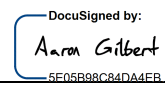
**DRUNK PARENTS, LLC**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation


**FABLES HOLDINGS USA, LLC**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

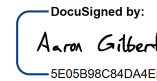
**FABLES PRODUCTIONS USA INC**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

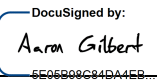
**GOSSAMER HOLDINGS USA, LLC**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

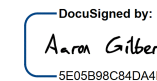
**GOSSAMER PRODUCTIONS USA INC.**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

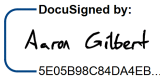
**HARRY HAFT PRODUCTIONS, INC.**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

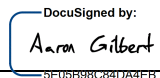
**HEAVYWEIGHT HOLDINGS, LLC  
(PREVIOUSLY HARRY HAFT FILMS, LLC)**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

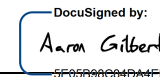
**I AM PINK PRODUCTIONS, LLC**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

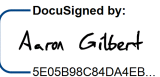
**NATIONAL ANTHEM HOLDINGS, LLC  
(F. K. A. BCDC HOLDINGS, LLC)**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

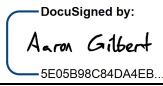
**NATIONAL ANTHEM PRODCO INC.**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

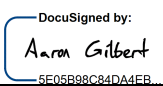
**OAKLAND PICTURES HOLDINGS, LLC**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

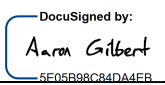
**PATHWAY PRODUCTIONS, LLC**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

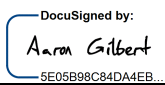
**ROBIN HOOD DIGITAL PC USA INC.**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

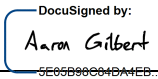
**ROBIN HOOD DIGITAL USA, LLC**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

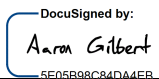
**SOLITARY HOLDINGS USA, LLC**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

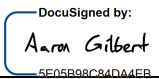
**SURROUNDED HOLDINGS USA LLC**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

**WELCOME TO ME, LLC**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

**LUCITE DESK, LLC**

Per:   
Name: Aaron Gilbert  
Title: Chief Executive Officer  
I/We have the authority to bind the corporation

## SCHEDULE "A"

### BORROWERS

	<b>Borrower</b>	<b>Jurisdiction</b>
1.	BRON Animation Inc.	British Columbia
2.	BRON Creative Corp.	Ontario
3.	BRON Developments Inc.	British Columbia
4.	BRON Media Corp.	British Columbia
5.	BRON Media Holdings Intl. Corp.	British Columbia
6.	BRON Media Holdings USA Inc.	British Columbia
7.	BRON Releasing Inc.	British Columbia
8.	BRON Studios Inc.	British Columbia
9.	BRON Ventures 1 (Canada) Corp	British Columbia
10.	BRON Everest Productions Inc.	Ontario
11.	Fables Productions BC Inc.	British Columbia
12.	Gossamer Productions BC Inc.	British Columbia
13.	Hench 2 BC Productions Inc.	British Columbia
14.	Henchmen Productions Inc.	British Columbia
15.	Robin Hood Digital PC BC Inc.	British Columbia
16.	Windor Productions BC Inc.	British Columbia
17.	BRON Creative USA, Corp.	Nevada
18.	BRON Digital USA, LLC	Delaware
19.	BRON Life USA Inc. (BRON Legacy USA Inc.)	Delaware
20.	BRON Media Holdings USA Corp.	Delaware

	<b>Borrower</b>	<b>Jurisdiction</b>
21.	BRON Releasing USA Inc.	Delaware
22.	BRON Studios USA Inc.	Nevada
23.	BRON Ventures 1, LLC	Delaware
24.	BRON Studios USA Developments Inc.	Nevada
25.	Bakhorma, LLC	Washington
26.	Drunk Parents, LLC	New York
27.	Fables Holdings USA, LLC	Delaware
28.	Fables Productions USA Inc	Delaware
29.	Gossamer Holdings USA, LLC	Delaware
30.	Gossamer Productions USA Inc.	Delaware
31.	Harry Haft Productions, Inc.	New York
32.	Heavyweight Holdings, LLC (previously Harry Haft Films, LLC)	Delaware
33.	I Am Pink Productions, LLC	Delaware
34.	Lucite Desk, LLC	Delaware
35.	National Anthem Holdings, LLC (f. k. a. BCDC Holdings, LLC)	Delaware
36.	National Anthem ProdCo Inc.	New Mexico
37.	Oakland Pictures Holdings, LLC	Delaware
38.	Pathway Productions, LLC	Delaware
39.	Robin Hood Digital PC USA Inc.	Delaware
40.	Robin Hood Digital USA, LLC	Delaware
41.	Solitary Holdings USA, LLC	Delaware

	<b>Borrower</b>	<b>Jurisdiction</b>
<b>42.</b>	Surrounded Holdings USA LLC	Delaware
<b>43.</b>	Welcome to Me, LLC	California

**SCHEDULE "B"**  
**CASH FLOW PROJECTION**

See attached.

**BRON MEDIA GROUP ("Bron")**  
**Consolidated Cash Flow Forecast**  
**July 19, 2023 to October 18, 2023 (the "Cash Flow Period")**

		Forecast Week 1	Forecast Week 2	Forecast Week 3	Forecast Week 4	Forecast Week 5	Forecast Week 6	Forecast Week 7	Forecast Week 8	Forecast Week 9	Forecast Week 10	Forecast Week 11	Forecast Week 12	Forecast Week 13	
For the week ending, In USD	Notes	26-Jul-23	02-Aug-23	09-Aug-23	16-Aug-23	23-Aug-23	30-Aug-23	06-Sep-23	13-Sep-23	20-Sep-23	27-Sep-23	04-Oct-23	11-Oct-23	18-Oct-23	Total
<b>Opening Cash Balance</b>	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Receipts</b>	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Operating Disbursements</b>															
<b>Payroll Expense</b>	3														
BRON Media		59,322	-	59,322	-	59,322	-	59,322	-	59,322	-	59,322	-	59,322	415,253
BRON Animation		51,778	-	51,778	-	51,778	-	51,778	-	51,778	-	51,778	-	51,778	362,445
BRON Studios		34,019	-	34,019	-	34,019	-	34,019	-	34,019	-	34,019	-	34,019	238,133
BRON Studios USA		60,865	-	60,865	-	60,865	-	60,865	-	60,865	-	60,865	-	60,865	426,058
BRON Digital USA		37,558	-	37,558	-	37,558	-	37,558	-	37,558	-	37,558	-	37,558	262,907
BRON Digital USA (Interactive Group)		38,282	-	38,282	-	38,282	-	38,282	-	38,282	-	38,282	-	38,282	267,974
KERP	4	-	-	-	-	-	-	-	-	-	-	-	-	234,425	234,425
Source Deductions	5	665,851	-	-	-	-	-	-	-	-	-	-	-	-	665,851
Notice Period Employees	6	-	-	158,341	-	-	-	-	-	-	-	-	-	-	158,341
Total Payroll Expense		947,675	-	440,165	-	281,824	-	281,824	-	281,824	-	281,824	-	516,249	3,031,385
<b>Other Operating Expenses</b>	7														
Rent	8	116,653	-	-	-	36,041	-	-	-	-	36,041	-	-	-	188,735
Software	9	58,246	-	-	-	33,046	-	11,547	3,877	-	33,046	-	-	21,391	161,154
Interest	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Selling, General & Administration	11	6,820	9,579	6,199	49,095	6,820	9,579	49,095	6,199	58,674	6,820	9,579	6,199	49,095	273,754
Other Operating Expenses		181,719	9,579	6,199	49,095	75,907	9,579	60,642	10,076	58,674	75,907	9,579	6,199	70,486	623,643
<b>Total Operating Disbursements</b>		<b>1,129,395</b>	<b>9,579</b>	<b>446,364</b>	<b>49,095</b>	<b>357,732</b>	<b>9,579</b>	<b>342,466</b>	<b>10,076</b>	<b>340,498</b>	<b>75,907</b>	<b>291,403</b>	<b>6,199</b>	<b>586,735</b>	<b>3,655,029</b>
Net Cashflow From Operations		(1,129,395)	(9,579)	(446,364)	(49,095)	(357,732)	(9,579)	(342,466)	(10,076)	(340,498)	(75,907)	(291,403)	(6,199)	(586,735)	(3,655,029)
<b>Non-Operating Disbursements</b>															
Bron Legal Counsel Fees	12	113,688	75,792	75,792	56,844	56,844	56,844	56,844	56,844	56,844	56,844	56,844	56,844	56,844	833,712
Proposed Monitor Fees		75,792	75,792	75,792	-	75,792	-	75,792	-	75,792	-	75,792	-	75,792	606,336
Monitor Catch up Fees		121,267	-	-	-	-	-	-	-	-	-	-	-	-	121,267
Proposed Monitor's Legal Counsel Fees		-	75,792	75,792	-	75,792	-	75,792	-	75,792	-	75,792	-	75,792	530,544
Proposed Monitor's Legal Counsel Catch up Fees		26,527	-	-	-	-	-	-	-	-	-	-	-	-	26,527
US Legal Fees and US Filing Fees	13	190,000	-	-	-	-	-	-	-	-	-	85,000	-	-	275,000
UK Legal Fees	14	75,792	-	-	-	-	-	-	-	-	-	-	-	-	75,792
DIP Financing Fees		18,948	-	-	-	18,948	-	-	-	18,948	-	-	-	18,948	75,792
CCAA Professional Fees		622,015	227,376	227,376	56,844	227,376	56,844	208,428	56,844	227,376	56,844	293,428	56,844	227,376	2,544,971
<b>Total Disbursements</b>		<b>1,751,409</b>	<b>236,955</b>	<b>673,740</b>	<b>105,939</b>	<b>585,108</b>	<b>66,423</b>	<b>550,894</b>	<b>66,920</b>	<b>567,874</b>	<b>132,751</b>	<b>584,831</b>	<b>63,043</b>	<b>814,111</b>	<b>6,200,000</b>
Net Cashflow		(1,751,409)	(236,955)	(673,740)	(105,939)	(585,108)	(66,423)	(550,894)	(66,920)	(567,874)	(132,751)	(584,831)	(63,043)	(814,111)	(6,200,000)
<b>DIP Financing</b>															
DIP Financing Advances		1,751,409	236,955	673,740	105,939	585,108	66,423	550,894	66,920	567,874	132,751	584,831	63,043	814,111	6,200,000
<b>Ending Cash Balance</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative DIP Financing		1,751,409	1,988,364	2,662,105	2,768,044	3,353,151	3,419,575	3,970,469	4,037,389	4,605,263	4,738,015	5,322,846	5,385,889	6,200,000	6,200,000

**BRON MEDIA GROUP ("Bron")**  
**Notes to the Cash Flow Forecast**  
**July 19, 2023 to October 18, 2023 (the "Cash Flow Period")**

**Disclaimer**

1. This Cash Flow Forecast is prepared by Bron in accordance with s. 23(1)(b) of the Companies Creditors' Arrangement Act ("CCAA").
2. Bron has prepared this Forecast on probable and hypothetical assumptions that reflect the Bron's planned course of action for the period of 13 weeks. Management is of the opinion that, as at the date of filing the Cash Flow Forecast, the assumptions used to develop the projection represent the most probable set of economic conditions facing Bron and that the assumptions used proved a reasonable basis for and are consistent with the purpose of this Cash Flow Forecast.
3. The Cash Flow Forecast has been prepared by Bron and has been reviewed by the Proposed Monitor. The Proposed Monitor has not verified or confirmed certain expenses incurred by Bron which are reflected in this Cash Flow Forecast.
4. The information contained in this Cash Flow Forecast is subject to changing assumptions and/or with the receipt of new or additional information this actual results may vary. This Cash Flow Forecast should not be used for any other purpose than its stated purpose, and creditors are cautioned that the information provided in this Cash Flow Forecast could vary based on changing future circumstances.

**Note 1**

The Cash Flow Forecast assumes there will be no material opening cash balance.

**Note 2**

Bron advises that there will be no corporate receipts during the Cash Flow Period.

**Note 3**

Payroll expense assumes Bron reduces headcount and production of the Digital Projects is placed on hold. Work will continue on Bron's Fortnite rollout under the Interactive Group.

**Note 4**

Bron advises that it intends to seek a Key Employee Retention Plan ("KERP") in the CCAA proceedings.

**Note 5**

Pursuant to an agreement between the Companies and CWM, amounts relate to outstanding source deductions in respect of payroll, withholding taxes and dues for government programs, but does not include amounts relating to source deductions for the last pay period.

**Note 6**

Bron advises that it terminated a number of employees in June 2023. The Cash Flow Forecast includes amounts to be paid to these employees as they work their respective notice periods. Bron has not provided a breakdown of these amounts by employee to date.

**Note 7**

Operating expenses assume a CCAA filing with pre-filing amounts stayed, other than as disclosed in Note 11. Critical supplier payments are included, but are not material.

**Note 8**

Rent is for studios in Los Angeles and Burnaby. Bron advises that it intends to disclaim its Los Angeles lease and move to a smaller facility in Los Angeles as part of its restructuring. The Los Angeles lease is CAD \$111,564 monthly so rent expense may decrease during the Cash Flow Period. Bron has yet to provide a projected cost for the replacement Los Angeles studio.

**Note 9**

Software is Zoom, Microsoft, Vision 33 (accounting), Bamboo (HR) and others necessary for Bron's operations during the Cash Flow Period. The amounts also include licence renewal fees.

**Note 10**

The Cash Flow Forecast assumes that interest on existing loans will be accrued during the Cash Flow Period.

**Note 11**

SG&A includes employee benefits payments. The Cash Flow Forecast assumes that pre-filing employee benefits will be paid.

**Note 12**

Bron Legal Counsel Fees assumes no material costs in regard to litigation in connection with the orders sought in Canada during the CCAA proceeding, however does assume fees in recognition of litigation in the US.

**Note 13**

The Cash Flow Forecast assumes that there will be Chapter 15 bankruptcy proceedings in the US in conjunction with the CCAA proceedings. The \$190,000 reflected in week one is required by legal counsel upon approval of the initial CCAA Order.

**Note 14**

The Cash Flow Forecast assumes that there will be UK recognition orders.

Tuesday, July 18, 2023

**Bron Media Group**

Per: 

\_\_\_\_\_  
Dave Whitney, Chief Financial Officer

**Grant Thornton Limited, as Proposed Monitor**

Per: 

\_\_\_\_\_  
Mark Wentzell, CPA, CA, CIRP, LIT, Senior Vice President

**SCHEDULE "C"**

**FORM OF DRAWDOWN CERTIFICATE**

TO: Creative Wealth Media Lending LP 2016 (the "**DIP Lender**") and Grant Thornton Limited (the "**Monitor**")

FROM: The parties identified in Appendix "A" hereto (collectively, the "**Borrowers**")

DATE: [●]

1. This certificate is delivered to you in connection with a request for a Subsequent DIP Draw pursuant to the DIP Agreement made as of July 18, 2023, between the Borrowers and the DIP Lender, as amended, supplemented, restated or replaced from time to time (the "**DIP Agreement**"). All capitalized terms used, but not otherwise defined, in this certificate shall have the respective meanings set forth in the DIP Agreement, unless the context requires otherwise.

2. The Borrowers hereby request a DIP Advance as follows:

(a) Date of DIP Advance: \_\_\_\_\_

(b) Aggregate amount of requested DIP Advance: \$[●]

to be transferred into the Borrowers' Account by the DIP Lender or the Monitor, as applicable, by direct deposit in accordance with the DIP Agreement.

3. All of the representations and warranties of the Borrowers as set forth in the DIP Agreement are true and correct as at the date hereof, as though made on and as of the date hereof (except for any representations and warranties made as of a specific date, which shall be true and correct as of the specific date made).

4. All of the covenants of the Borrowers contained in the DIP Agreement and all other terms and conditions contained in the DIP Agreement to be complied with by the Borrowers, and not waived in writing by or on behalf of the DIP Lender, have been complied with.

5. The Borrowers are in compliance with all Court Orders.

6. The proceeds of the DIP Advance hereby requested will be applied solely in accordance with the DIP Agreement Cash Flow Projection, or as has been otherwise agreed to by the DIP Lender in advance in writing, and shall be utilized exclusively to fund the expense items listed on Appendix "B" hereto.

7. No Default or Event of Default has occurred and is continuing nor will any such event occur as a result of the DIP Advance hereby requested.

**[Borrowers]**

By: \_\_\_\_\_

Name:

Title:

cc: [●]

**Appendix "A"**  
**Borrowers**

**Appendix "B"**  
**Approved Expense Items**

<b>Expense Item</b>	<b>Amount</b>
●	\$●
<b>TOTAL:</b>	\$●

**SCHEDULE "D"**  
**INITIAL ORDER**

See attached.

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

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

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, c. 57, AS AMENDED AND THE BUSINESS CORPORATIONS ACT, R.S.O.  
1990, C. B.16, AS AMENDED

AND

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
BRON MEDIA CORP. AND THE ENTITIES LISTED AT SCHEDULE "A"

PETITIONERS

**PETITIONERS**

**ORDER MADE AFTER APPLICATION**

BEFORE THE HONOURABLE )  
 ) 19/07/2023  
JUSTICE GOMERY )

THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 19<sup>th</sup> day of July, 2023 (the "Order Date"); AND ON HEARING Asim Iqbal and Bryan Hicks, counsel for the Petitioners and those other counsel listed on Schedule "C" hereto; AND UPON READING the material filed, including the First Affidavit of Aaron Gilbert sworn July 18, 2023 (the "Gilbert Affidavit") and the consent of Grant Thornton Limited to act as Monitor (in such capacity, the "Monitor");

AND UPON BEING ADVISED that the secured creditors who are likely to be affected by the charges created herein were given notice; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended (the "CCAA"), the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court;

## **THIS COURT ORDERS AND DECLARES THAT:**

### **JURISDICTION**

1. The Petitioners are companies to which the CCAA applies.

### **SUBSEQUENT HEARING DATE**

2. The hearing of the Petitioners' application for an extension of the Stay Period (as defined in paragraph 15 of this Order) and for any ancillary relief shall be held at the Courthouse at 800 Smithe Street, Vancouver, British Columbia at 9:00 a.m. on Thursday, the 27<sup>th</sup> day of July, 2023 for one hour and continuing at 9:00 a.m. on Friday, the 28<sup>th</sup> day of July, 2023 for one hour, or such other date as this Court may order.

### **PLAN OF ARRANGEMENT**

3. The Petitioners shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

### **POSSESSION OF PROPERTY AND OPERATIONS**

4. Subject to this Order and any further Order of this Court, the Petitioners shall remain in possession and control of their current and future assets, licences, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), and continue to carry on their business (the "**Business**") in the ordinary course and in a manner consistent with the preservation of the Business and the Property. The Petitioners shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for carrying out the terms of this Order.

## CASH MANAGEMENT SYSTEM

5. The Petitioners shall be entitled to continue to utilize the central cash management system currently in place as described in the Gilbert Affidavit or, with the prior written consent of the Interim Lender (as hereinafter defined) and the Monitor, replace it with another substantially similar central cash management system (the “**Cash Management System**”), and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by any of the Petitioners of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Petitioners, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan (if any) with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. Subject to the terms of the DIP Term Sheet and Definitive Documents (each, as hereinafter defined), the Petitioners shall be entitled, but not required, to pay the following expenses which may have been incurred prior to the Order Date:

- (a) all outstanding wages, salaries, employee and pension benefits (including long and short term disability payments), vacation pay and expenses (but excluding severance pay) payable before or after the Order Date, in each case incurred in the ordinary course of business and consistent with the relevant compensation policies and arrangements existing at the time incurred (collectively “**Wages**”);
- (b) the fees and disbursements of any Assistants retained or employed by any of the Petitioners which are related to the Restructuring (as hereinafter defined), at their standard rates and charges, including payment of the fees and disbursements of legal counsel retained by the Petitioners, whenever and wherever incurred, in respect of:

- (i) these proceedings or any other similar proceedings in other jurisdictions in which any of the Petitioners or any subsidiaries or affiliated companies of the Petitioners are domiciled;
  - (ii) any litigation in which any of the Petitioners are named as a party or are otherwise involved, whether commenced before or after the Order Date; and
  - (iii) any related corporate matters; and
- (c) with the prior written consent of the Monitor and the Interim Lender, amounts owing for goods and services actually supplied to the Petitioners in the ordinary course of business and consistent with existing policies and procedures (including, without limitation, outstanding source deductions owing to governmental authorities).

7. Except as otherwise provided herein and subject to the terms of the DIP Term Sheet and Definitive Documents, the Petitioners shall be entitled to pay all expenses reasonably incurred by the Petitioners in carrying on the Business in the ordinary course following the Order Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably incurred and which are necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services;
- (b) all obligations incurred by the Petitioners after the Order Date, including without limitation, with respect to goods and services actually supplied to the Petitioners following the Order Date (including those under purchase orders outstanding at the Order Date but excluding any interest on the Petitioners' obligations incurred prior to the Order Date); and
- (c) fees and disbursements of the kind referred to in paragraph 6(b) which may be incurred after the Order Date.

8. The Petitioners are authorized to remit, in accordance with legal requirements, or pay:
- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from Wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes or any such claims which are to be paid pursuant to Section 6(3) of the CCAA;
  - (b) all goods and services or other applicable sales taxes (collectively, “**Sales Taxes**”) required to be remitted by the Petitioners in connection with the sale of goods and services by the Petitioners, but only where such Sales Taxes accrue or are collected after the Order Date, or where such Sales Taxes accrued or were collected prior to the Order Date but not required to be remitted until on or after the Order Date; and
  - (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal property taxes, municipal business taxes or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors.

9. Until such time as a real property lease is disclaimed in accordance with the CCAA, the Petitioners shall pay, without duplication, all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease, but for greater certainty, excluding accelerated rent or penalties, fees or other charges arising as a result of the insolvency of the Petitioners or the making of this Order) based on the terms of existing lease arrangements or as otherwise may be negotiated between the Petitioners and the landlord from time to time (“**Rent**”), for the period commencing from and including the Order Date, twice-monthly in equal payments on the first and fifteenth day of the month in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including Order Date shall also be paid.

10. Except as specifically permitted herein and subject to the DIP Term Sheet and the Definitive Documents, the Petitioners are hereby directed, until further Order of this Court:

- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by any of the Petitioners to any of their respective creditors as of the Order Date except as authorized by this Order;
- (b) to make no payments in respect of any financing leases which create security interests;
- (c) to grant no security interests, trust, mortgages, liens, charges or encumbrances upon or in respect of any of their Property, nor become a guarantor or surety (other than in the ordinary course of the Business and with the prior written consent of the Interim Lender, where a completion guarantee or other bond is required to be posted by one or more of the Petitioners in connection with the production of an animated or live-action film, series television or other production), nor otherwise become liable in any manner with respect to any other Person or entity except as authorized by this Order;
- (d) to not grant credit except in the ordinary course of the Business only to their customers for goods and services actually supplied to those customers, provided such customers agree that there is no right of set-off in respect of amounts owing for such goods and services against any debt owing by the Petitioners to such customers as of the Order Date; and
- (e) to not incur liabilities except in the ordinary course of Business.

## **RESTRUCTURING**

11. Subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the DIP Term Sheet or Definitive Documents, the Petitioners shall have the right to:

- (a) permanently or temporarily cease, downsize or shut down all or any part of their Business or operations and commence marketing efforts in respect of any of their

redundant or non-material assets and to dispose of redundant or non-material assets not exceeding \$ 500,000 in any one transaction or \$ 1,000,000 in the aggregate;

- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and
- (c) pursue all avenues of refinancing for their Business or Property, in whole or part;

all of the foregoing to permit the Petitioners to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

12. The Petitioners shall provide each of the relevant landlords with notice of the Petitioners’ intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Petitioners’ entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors who claim a security interest in the fixtures, such landlord and the Petitioners, or by further Order of this Court upon application by the Petitioners, the landlord or the applicable secured creditors on at least two (2) clear days’ notice to the other parties. If the Petitioners disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any dispute concerning such fixtures (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Petitioners’ claim to the fixtures in dispute.

13. If a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then: (a) during the period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours on giving the Petitioners and the Monitor 24 hours’ prior written notice; and (b) at the effective time of the disclaimer, the landlord shall be entitled to take possession of any such leased premises without

waiver of or prejudice to any claims the landlord may have against the Petitioners, or any other rights the landlord might have, in respect of such lease or leased premises and the landlord shall be entitled to notify the Petitioners of the basis on which it is taking possession and gain possession of and re-lease such leased premises to any third party or parties on such terms as the landlord considers advisable, provided that nothing herein shall relieve the landlord of its obligation to mitigate any damages claimed in connection therewith.

14. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronics Documents Act*, S.C. 2000, c. 5 and Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, and any regulations promulgated under authority of either Act, as applicable (the “**Relevant Enactment**”), the Petitioners, in the course of these proceedings, are permitted to, and hereby shall, disclose personal information of identifiable individuals in their possession or control to stakeholders, their advisors, prospective investors, financiers, buyers or strategic partners (collectively, “**Third Parties**”), but only to the extent desirable or required to negotiate and complete the Restructuring or to prepare and implement the Plan or transactions for that purpose; provided that the Third Parties to whom such personal information is disclosed enter into confidentiality agreements with the Petitioners binding them in the same manner and to the same extent with respect to the collection, use and disclosure of that information as if they were an organization as defined under the Relevant Enactment, and limiting the use of such information to the extent desirable or required to negotiate or complete the Restructuring or to prepare and implement the Plan or transactions for that purpose, and attorning to the jurisdiction of this Court for the purposes of that agreement. Upon the completion of the use of personal information for the limited purposes set out herein, the Third Parties shall return the personal information to the Petitioners or destroy it. If the Third Parties acquire personal information as part of the Restructuring or the preparation and implementation of the Plan or transactions in furtherance thereof, such Third Parties may, subject to this paragraph and any Relevant Enactment, continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Petitioners.

## **STAY OF PROCEEDINGS, RIGHTS AND REMEDIES**

15. Until and including July 29, 2023, or such later date as this Court may order (the “**Stay Period**”), no action, suit or proceeding in any court or tribunal (each, a “**Proceeding**”) against or in respect of the Petitioners or the Monitor, or affecting the Business or the Property, shall be commenced or continued except with the prior written consent of the Petitioners and the Monitor or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Petitioners or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

16. During the Stay Period, all rights and remedies of any individual, firm, corporation, organization, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of any of the Petitioners or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the prior written consent of the Petitioners and the Monitor or leave of this Court.

17. Nothing in this Order, including paragraphs 15 and 16, shall: (i) empower the Petitioners to carry on any business which the Petitioners are not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a mortgage, charge or security interest (subject to the provisions of Section 39 of the CCAA relating to the priority of statutory Crown securities); or (iv) prevent the registration or filing of a lien or claim for lien or the commencement of a Proceeding to protect lien or other rights that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such lien, claim for lien or Proceeding except for service of the initiating documentation on the Petitioners.

## **STAY IN RESPECT OF THE NON-PETITIONER ENTITIES**

18. During the Stay Period, no Person shall (a) commence any Proceeding or enforcement process, (b) terminate, repudiate, make any demand, accelerate, alter, amend, declare in default,

exercise any options, rights or remedies, or (c) discontinue, fail to honour, alter, interfere with or cease to perform any obligation pursuant to or in respect of any agreement, lease, sublease license or permit with respect to which any of the Non-Petitioner Entities (as defined in the Gilbert Affidavit) listed at **Schedule “B”** hereto are a party, borrower, principal obligor or guarantor, by reason of:

- (a) any of the Petitioners being insolvent, having become subject to insolvency proceedings, or having made an petition to this Court under the CCAA or the granting of this Order;
- (b) any of the Petitioners being party to these proceedings or taking any steps related thereto;
- (c) the stay of proceedings granted pursuant to this paragraph 18;
- (d) any default or cross-default arising from the matters set out in the foregoing subparagraphs (a) to (c),

except with the prior written consent of the Petitioners and the Monitor, or with leave of this Court.

## **NO INTERFERENCE WITH RIGHTS**

19. During the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, authorization or permit in favour of or held by any of the Petitioners, except with the prior written consent of the Petitioners and the Monitor or leave of this Court.

## **CONTINUATION OF SERVICES**

20. During the Stay Period, all Persons having oral or written agreements with any of the Petitioners or mandates under an enactment for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll and benefit services, accounting services, insurance, transportation, services, utility, or other services, to the Business or any of the Petitioners, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by any of the Petitioners, and that the Petitioners shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Order Date are paid by the Petitioners in accordance with normal payment practices of the Petitioners or such other practices as may be agreed upon by the supplier or service provider and the applicable Petitioners and the Monitor, or as may be ordered by this Court.

## **NON-DEROGATION OF RIGHTS**

21. Notwithstanding any provision in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Order Date, nor shall any Person be under any obligation to advance or re-advance any monies or otherwise extend any credit to the Petitioners on or after the Order Date. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

## **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

22. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against the directors or officers of any of the Petitioners with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of any of the Petitioners whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the

payment or performance of such obligations, until a compromise or arrangement in respect of the Petitioners, if one is filed, is sanctioned by this Court or is refused by the creditors of the Petitioners or this Court. Nothing in this Order, including in this paragraph, shall prevent the commencement of a Proceeding to preserve any claim against a director or officer of any of the Petitioners that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such Proceeding except for service of the initiating documentation on the applicable director or officer.

### **DIRECTORS AND OFFICERS INDEMNIFICATION AND CHARGE**

23. The Petitioners shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Petitioners after the commencement of the within proceedings, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

24. The directors and officers of the Petitioners shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of USD **\$250,000**, as security for the indemnity provided in paragraph 22 of this Order. The Directors' Charge shall have the priority set out in paragraphs 41 and 43 herein.

25. Notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Petitioners' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 23 of this Order.

## **APPOINTMENT OF MONITOR**

26. **Grant Thornton Limited** is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Petitioners with the powers and obligations set out in the CCAA or set forth herein, and that the Petitioners and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Petitioners pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

27. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Petitioners' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, the DIP Term Sheet, the Definitive Documents and such other matters as may be relevant to the proceedings herein;
- (c) assist the Petitioners, to the extent required by the Petitioners, in their dissemination, to the Interim Lender and its counsel, as and when required or permitted under the DIP Term Sheet or the Definitive Documents or as otherwise reasonably required by the Interim Lender, of financial and other information as agreed to between the Petitioners and the Interim Lender which may be used in these proceedings including reporting on a basis to be agreed with the Interim Lender;
- (d) advise the Petitioners in their preparation of the Petitioners' cash flow statements and reporting required by the Interim Lender, which information shall be reviewed with the Monitor and delivered to the Interim Lender and its counsel as

and when required under the DIP Term Sheet and the Definitive Documents or as otherwise agreed to by the Interim Lender;

- (e) advise the Petitioners in their development of the Plan and any amendments to the Plan;
- (f) assist the Petitioners, to the extent required by the Petitioners, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) monitor all payments, obligations and transfers as between any of the Petitioners;
- (h) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Petitioners, to the extent that is necessary to adequately assess the Petitioners' business and financial affairs or to perform its duties arising under this Order;
- (i) be at liberty to engage independent legal counsel or such other Persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (j) perform such other duties as are required by this Order or by this Court from time to time.

28. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or a successor employer, within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

29. Nothing herein contained shall require or allow the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Fisheries Act*, the *British Columbia Environmental Management Act*, the *British Columbia Fish Protection Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. For greater certainty, the Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

30. The Monitor shall provide any creditor of the Petitioners and the Interim Lender with information provided by the Petitioners in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Petitioners is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Petitioners may agree.

31. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the rights and protections afforded the Monitor by the CCAA or any applicable legislation.

32. The Monitor, counsel to the Monitor, if any, and counsel to the Petitioners shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the

Petitioners as part of the cost of these proceedings. The Petitioners are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to the Petitioners on a periodic basis and, in addition, the Petitioners are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Petitioners, retainers in the amount[s] of \$50,000, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

33. The Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the British Columbia Supreme Court who may determine the manner in which such accounts are to be passed, including by hearing the matter on a summary basis or referring the matter to a Registrar of this Court.

#### **ADMINISTRATION CHARGE**

34. The Monitor, counsel to the Monitor, if any, and counsel to the Petitioners shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of USD \$250,000, as security for their respective fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order which are related to the Petitioners’ restructuring. The Administration Charge shall have the priority set out in paragraphs 41 and 43 hereof.

#### **INTERIM FINANCING**

35. The Petitioners are hereby authorized and empowered to obtain and borrow under a credit facility (the “**DIP Facility**”) from Creative Wealth Media Lending LP 2016 (the “**Interim Lender**”) in order to finance the continuation of the Business and preservation of the Property, all in accordance with the DIP Term Sheet and the Definitive Documents, provided that borrowings under the DIP Facility shall not exceed the aggregate principal amount of USD \$1,751,409.00 unless permitted by further Order of this Court.

36. The DIP Facility shall be on the terms and subject to the conditions set forth in the DIP Term Sheet between the Petitioners and the Interim Lender dated as of July 18, 2023 (the “**DIP Term Sheet**”), filed.

37. The Petitioners are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “**Definitive Documents**”), as are contemplated by the DIP Term Sheet or as may be reasonably required by the Interim Lender pursuant to the terms thereof, and the Petitioners are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the Interim Lender under and pursuant to the DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

38. The Interim Lender shall be entitled to the benefit of and is hereby granted a charge (the “**Interim Lender’s Charge**”) on the Property up to the maximum amount of USD \$1,751,409.00 (plus accrued and unpaid interest, fees and expenses) to secure amounts advanced under the DIP Facility. The Interim Lender’s Charge shall not secure an obligation that exists before this Order is made. The Interim Lender’s Charge shall have the priority set out in paragraphs 41 and 43 hereof.

39. Notwithstanding any other provision of this Order:

- (a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender’s Charge or any of the Definitive Documents;
- (b) upon the occurrence and during the continuance of an Event of Default (as defined in the DIP Term Sheet), whether or not there is availability under the DIP Facility and notwithstanding any stay imposed under this Order: (i) without any notice to the Petitioners, the Petitioners shall have no right to receive any additional advances thereunder or other accommodation of credit from the Interim Lender except in the sole discretion of the Interim Lender; and (ii) the

Interim Lender may immediately terminate the DIP Facility and demand immediate payment of all obligations owing thereunder by providing such notice and demand to the Petitioners, with a copy to the Monitor;

- (c) with leave of this Court, sought on not less than three (3) business days' notice to the Petitioners and the Monitor after the occurrence and during the continuance of an Event of Default, the Interim Lender shall have the right to enforce the Interim Lender's Charge and to exercise all other rights and remedies in respect of the obligations owing under the DIP Facility and the Interim Lender's Charge; and
- (d) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Petitioners or the Property.

40. The Interim Lender, in such capacity, shall be treated as unaffected in any plan of arrangement or compromise filed by the Petitioners under the CCAA, or any proposal filed by the Petitioners under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Definitive Documents.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

41. The priorities of the Administration Charge, the Directors' Charge and the Interim Lender's Charge (collectively, the "Charges", as among them, shall be as follows:

First – Administration Charge (to the maximum amount of USD \$250,000);

Second – Interim Lender's Charge (to the maximum amount of USD \$1,751,409.00 plus accrued and unpaid interest, fees and expenses);

Third – Directors' Charge (to the maximum amount of USD \$250,000).

42. Any security documentation evidencing, or the filing, registration or perfection of, the Charges shall not be required, and that the Charges shall be effective as against the Property and

shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered or perfected subsequent to the Charges coming into existence, notwithstanding any failure to file, register or perfect any such Charges.

43. Each of the Charges shall constitute a mortgage, hypothec, security interest, assignment by way of security and charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, mortgages, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”), in favour of any Person, save and except those claims contemplated by section 11.8(8) of the CCAA.

44. Except as otherwise expressly provided herein, or as may be approved by this Court, the Petitioners shall not grant or suffer to exist any Encumbrances over any Property that rank in priority to, or *pari passu* with the Charges, unless the Petitioners obtain the prior written consent of the Monitor, the Interim Lender and the beneficiaries of the Administration Charge and the Director’s Charge.

45. The Charges, the DIP Term Sheet and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) and/or the Interim Lender 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) or receivership order(s) issued pursuant to the BIA or otherwise, or any bankruptcy order or receivership 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, mortgage, security agreement, debenture, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Petitioners; and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents

shall create or be deemed to constitute a breach by any of the Petitioners of any Agreement to which any of the Petitioners is a party;

- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Petitioners entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Petitioners pursuant to this Order, the DIP Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

46. Any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Petitioners' interest in such real property leases.

## **SERVICE AND NOTICE**

47. The Monitor shall: (i) without delay, publish in *The Globe and Mail* (National Edition) a notice containing the information prescribed under the CCAA; and (ii) within five days after Order Date, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Petitioners of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

48. The Petitioners and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Petitioners' creditors or other interested parties at their respective addresses as last shown on the

records of the Petitioners and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

49. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to a service list (the “**Service List**”) to be maintained by the Monitor. The Monitor shall post and maintain an up to date form of the Service List on its website at: [www.grantthornton.ca/BronMedia](http://www.grantthornton.ca/BronMedia).

50. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsels’ email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on its website at: [www.grantthornton.ca/BronMedia](http://www.grantthornton.ca/BronMedia).

51. Notwithstanding paragraphs 48 and 50 of this Order, service of the Petition, the Notice of Hearing of Petition, any affidavits filed in support of the Petition and this Order shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c. C-50, and regulations thereto, in respect of the Federal Crown, and the *Crown Proceeding Act*, R.S.B.C. 1996, c. 89, in respect of the British Columbia Crown.

## **FOREIGN PROCEEDINGS**

52. BRON Media Corp., or any of the Petitioners, are hereby authorized and empowered to act as the foreign representative (as applicable, the “**Foreign Representative**”) in respect of these proceedings of the purpose of having these proceedings recognized in a foreign jurisdiction.

53. The Foreign Representative is authorized to apply for foreign recognition of these proceedings, as necessary or advisable, in any jurisdiction outside of Canada including, without limitation, the United States pursuant to Chapter 15 of Title 11 of the United States Code 11 U.S.C., §§ 101 – 1532, the United Kingdom, Ireland and New Zealand.

## **GENERAL**

54. The Petitioners or the Monitor may from time to time apply to this Court for directions in the discharge of their powers and duties hereunder.

55. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Petitioners, the Business or the Property.

56. This Court requests the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any federal or State Court or administrative body in the United States of America, the United Kingdom, or any other foreign jurisdiction, to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Foreign Representative, the Petitioners and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Foreign Representative in any foreign proceeding, or to assist the Foreign Representative, Petitioners and the Monitor and their respective agents in carrying out the terms of this Order.

57. The Petitioners are hereby at liberty to apply for such further interim or interlocutory relief as it deems advisable within the time limited for Persons to file and serve Responses to the Petition.

58. Leave is hereby granted to hear any application in these proceedings on two (2) clear days' notice after delivery to all parties on the Service List of such Notice of Application and all affidavits in support, subject to the Court in its discretion further abridging or extending the time for service.

59. Any interested party (including the Petitioners, the Interim Lender and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to all

parties on the Service List and 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.

60. Eendorsement of this Order by counsel appearing on this application is hereby dispensed with.

61. This Order and all of its provisions are effective as of 12:01 a.m. local Vancouver time on the Order Date.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

\_\_\_\_\_  
Signature of  
 Party  Lawyer for the Petitioners

\_\_\_\_\_  
Asim Iqbal

\_\_\_\_\_

BY THE COURT

\_\_\_\_\_  
REGISTRAR

**Schedule "A"**  
**List of Petitioners**

	<b>Debtor Company</b>	<b>Jurisdiction</b>
1.	BRON Animation Inc.	British Columbia
2.	BRON Creative Corp.	Ontario
3.	BRON Developments Inc.	British Columbia
4.	BRON Media Corp.	British Columbia
5.	BRON Media Holdings Intl. Corp.	British Columbia
6.	BRON Media Holdings USA Inc.	British Columbia
7.	BRON Releasing Inc.	British Columbia
8.	BRON Studios Inc.	British Columbia
9.	BRON Ventures 1 (Canada) Corp	British Columbia
10.	BRON Everest Productions Inc.	Ontario
11.	Fables Productions BC Inc.	British Columbia
12.	Gossamer Productions BC Inc.	British Columbia
13.	Hench 2 BC Productions Inc.	British Columbia
14.	Henchmen Productions Inc.	British Columbia
15.	Robin Hood Digital PC BC Inc.	British Columbia
16.	Windor Productions BC Inc.	British Columbia
17.	BRON Creative USA, Corp.	Nevada
18.	BRON Digital USA, LLC	Delaware
19.	BRON Life USA Inc. (BRON Legacy USA Inc.)	Delaware
20.	BRON Media Holdings USA Corp.	Delaware
21.	BRON Releasing USA Inc.	Delaware
22.	BRON Studios USA Inc.	Nevada

<b>23.</b>	BRON Ventures 1, LLC	Delaware
<b>24.</b>	BRON Studios USA Developments Inc.	Nevada
<b>25.</b>	Bakhorma, LLC	Washington
<b>26.</b>	Drunk Parents, LLC	New York
<b>27.</b>	Fables Holdings USA, LLC	Delaware
<b>28.</b>	Fables Productions USA Inc	Delaware
<b>29.</b>	Gossamer Holdings USA, LLC	Delaware
<b>30.</b>	Gossamer Productions USA Inc.	Delaware
<b>31.</b>	Harry Haft Productions, Inc.	New York
<b>32.</b>	Heavyweight Holdings, LLC (previously Harry Haft Films, LLC)	Delaware
<b>33.</b>	I Am Pink Productions, LLC	Delaware
<b>34.</b>	Lucite Desk, LLC	Delaware
<b>35.</b>	National Anthem Holdings, LLC (f. k. a. BCDC Holdings, LLC)	Delaware
<b>36.</b>	National Anthem ProdCo Inc.	New Mexico
<b>37.</b>	Oakland Pictures Holdings, LLC	Delaware
<b>38.</b>	Pathway Productions, LLC	Delaware
<b>39.</b>	Robin Hood Digital PC USA Inc.	Delaware
<b>40.</b>	Robin Hood Digital USA, LLC	Delaware
<b>41.</b>	Solitary Holdings USA, LLC	Delaware
<b>42.</b>	Surrounded Holdings USA LLC	Delaware
<b>43.</b>	Welcome to Me, LLC	California

**Schedule “B”**  
Non-Petitioner Entities

BRON Studios UK Ltd.  
BRON Releasing UK Ltd.  
CMA Productions UK Ltd.  
In Good Company Holdings Ltd.  
Kid Unknown Holdings Ltd (fka Hunaman Holdings Ltd.)  
Neon Club Productions, Ltd.  
Shadowplay Series Holdings UK Limited  
TDBB Holdings UK Ltd.  
Townsend Series Holdings UK Ltd.  
Townsend Series Holdings UK Ltd.  
Townsend Series Productions UK Ltd. (Grey Door Film Productions Ltd)  
Front Runner Productions, Inc.  
BRON Creative MG1, LLC  
BRON Creative WB 1, LLC  
BRON Labs LLC  
A Single Shot Movie, LLLP  
Blackhand Developments Inc.  
Blackhand Pictures, LLC  
BRON Next Film Production, LLC (BRON Life, LLC)  
BRON Pictures Holdings, LLC  
BRON Subnation Slate 1, LLC  
Rideg Film Holdings, LLC  
Brown Amy, LLC  
Driftless Area, LLC  
Drunk Parents Production Services Inc.  
Erostratus LA, LLC  
Erostratus, LLC  
Fonzo Production Services Inc.  
Fonzo, LLC  
Front Runner, LLC  
Green Moon Inc.

Schedule "C"

List of Counsel

**SCHEDULE "E"**

**BORROWERS' ACCOUNT INFORMATION**

See attached.



**INCOMING WIRE INSTRUCTIONS:**

**DOMESTIC (U.S.):**

**Bank Information:**

Wire Routing Transit Number: 121000248  
Bank Name: Wells Fargo Bank  
City, State: 3101 Woburn St, Bellingham, WA 98226  
Your Account Number: 5970688817  
Title of Account: Bron Studios USA Inc

**Beneficiary Information:**

Name: Bron Studios USA Inc  
Address: 5542 Short Street  
Burnaby, BC, V5J 1L9

**INTERNATIONAL:**

**Bank Information:**

SWIFT Code: WFBIUS6S  
Bank Name: Wells Fargo Bank  
City, State: 3101 Woburn St, Bellingham, WA  
Your Account Number: 98226 5970688817  
Title of Account: Bron Studios USA Inc

**Beneficiary Information:**

Name: Bron Studios USA Inc  
Address: 5542 Short Street  
Burnaby, BC, V5J 1L9

**ACH INSTRUCTIONS:**

Account: Bron Studios USA Inc  
Routing number: 125008547  
Account number: 5970688817

## **SCHEDULE "F"**

### **TAXES AND SOURCE DEDUCTION**

The last tax returns filed in respect of the Borrowers was on December 31, 2022. The Borrowers have not filed tax returns in 2023.

Amounts owing for source deductions: USD \$687,001,

Amounts owing for EHT/WCB: CAD \$98,000

## SCHEDULE "G"

### LITIGATION

All outstanding litigation proceedings set out in the Affidavit of Aaron Gilbert sworn July 18, 2023, a copy of which has been provided to the DIP Lender, including the proceedings set out below:

<b><i>Premium Properties Limited et al v BRON Studios USA Inc. et al; CV-18-00605972-0000</i></b>				
<b>Plaintiff(s)</b>	<b>Defendant(s)</b>	<b>Date Initiated</b>	<b>Jurisdiction</b>	<b>Amount of Claim</b>
Premium Properties Limited	BRON Studios USA Inc. <i>et al</i>	September 27, 2018	Ontario	~\$70 million
<b><i>Bell et al v BRON Capital Partners et al; CV-21-00667577-0000</i></b>				
<b>Plaintiff(s)</b>	<b>Defendant(s)</b>	<b>Date Initiated</b>	<b>Jurisdiction</b>	<b>Amount of Claim</b>
Bruce Bell and Evelyne Neiman	BRON Capital Partners <i>et al</i>	August 24, 2021	Ontario	CAD \$300,000
<b><i>Living Trust Agreement U/A/D June 29, 1992, As Amended, by its Trustee, Dennis L. Weil v BRON Creative USA Corp.; CV-23-00700890-000</i></b>				
<b>Plaintiff(s)</b>	<b>Defendant(s)</b>	<b>Date Initiated</b>	<b>Jurisdiction</b>	<b>Amount of Claim</b>
Dennis L. Weil	BRON Creative USA Corp.	June 9, 2023	Ontario	\$750,000
<b><i>Richardson et al v BRON Creative Corp. et al; CV-22-00687032-0000</i></b>				
<b>Plaintiff(s)</b>	<b>Defendant(s)</b>	<b>Date Initiated</b>	<b>Jurisdiction</b>	<b>Amount of Claim</b>
James Richardson Nikink Holdings Ltd	BRON Creative Corp. <i>et al</i>	September 9, 2022	Ontario	\$1,500,000

<b><i>Access Road Capital, LLC v BRON Ventures 1, LLC, BRON Ventures 1 (Canada) Corp., and BRON Media Holdings USA, Corp.; Index no. 650841/2022</i></b>				
<b>Plaintiff(s)</b>	<b>Defendant(s)</b>	<b>Date Initiated</b>	<b>Jurisdiction</b>	<b>Amount of Claim</b>
Access Road Capital, LLC	BRON Ventures 1, LLC BRON Ventures 1 (Canada) Corp. BRON Media Holdings USA, Corp	February 22, 2022	New York, New York State	~\$12,000,000
<b><i>Hudson Private LP v BRON Studios USA Inc.; 7:21-cv-08259</i></b>				
<b>Plaintiff(s)</b>	<b>Defendant(s)</b>	<b>Date Initiated</b>	<b>Jurisdiction</b>	<b>Amount of Claim</b>
Hudson Private LP	BRON Studios USA Inc. BRON Creative USA Corp.	October 7, 2021	Southern District of New York	~\$14.5 million
<b><i>Hudson Private Corp v BRON Creative USA Corp.; CV-18-00605972-0000</i></b>				
<b>Plaintiff(s)</b>	<b>Defendant(s)</b>	<b>Date Initiated</b>	<b>Jurisdiction</b>	<b>Amount of Claim</b>
Hudson Private Corp	BRON Creative USA Corp.	October 14, 2022	New York	~\$7,000,000
Big Block Capital Group, LLC <sup>1</sup>	BRON Ventures 1, LLC			\$820,000

<sup>1</sup> The Borrowers have been made aware of the existence of this claim but have not yet been served with this claim.