

Court File No. BK-24-03091796-0032  
 Bankruptcy Estate File No. 32-3091796

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY & INSOLVENCY)**

THE HONOURABLE *MR.* ) THURSDAY, THE 25<sup>TH</sup> DAY  
 )  
 JUSTICE *M. J. VALENTZ* ) OF JULY, 2024

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY*  
*ACT*, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION  
 TO MAKE A PROPOSAL OF  
 PIONEER BALLOON CANADA LIMITED

**ORDER**  
**(Ancillary Relief)**

**THIS MOTION**, made by Pioneer Balloon Canada Limited (the “**Company**” or “**Pioneer**”) pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the “**BIA**”), for an order (this “**Order**”), among other things:

- (a) if necessary, abridging the time for service and filing of the notice of motion and the motion record or, in the alternative, dispensing with the same;
- (b) approving the first report of KPMG Inc. (“**KPMG**”) in its capacity as proposal trustee (the “**Proposal Trustee**”) dated June 24, 2024 (the “**First Report**”) and the second report of the Proposal Trustee dated July 17, 2024 (the “**Second Report**”; and, together with the First Report, the “**Reports**”), as well as the activities of the Trustee described therein; and
- (c) approving the fees and disbursements of the Proposal Trustee and its counsel, Borden Ladner Gervais LLP (“**BLG**”), for the periods ending July 5, 2024 and July 15,

2024, respectively, and the estimated fees and disbursements of the Proposal Trustee and BLG for completion of all remaining duties and administration of the within proceedings (the “**NOI Proceedings**”),

was heard by this Honourable Court (the “**Court**”) on this day by way of judicial video conference in Hamilton, Ontario.

**ON READING** the Motion Record of the Company, including the affidavit of Marylynn Borondy dated July 16, 2024 and the exhibits thereto (the “**Borondy July Affidavit**”), the First Report, the Second Report and the appendices thereto, including the affidavit of fees of the Proposal Trustee and its counsel included therein as Appendix “D” and Appendix “E”, respectively (the “**Fee Affidavits**”), **AND ON HEARING** the submissions of counsel for the Company, counsel for the Proposal Trustee, counsel for the Royal Bank of Canada (“**RBC**”), and the other parties listed on the participant information form and no one else appearing although properly served as appears from the affidavit of Amanda Adamo, sworn July 16, 2024, filed:

#### **SERVICE**

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that defined terms used herein, which are not otherwise defined, shall be given the meaning attributed to them in the Second Report.

#### **APPROVAL OF REPORTS**

3. **THIS COURT ORDERS** that the First Report and the Second Report and the activities of the Proposal Trustee referred to therein be and are hereby approved; provided, however, that only the Proposal Trustee, in its personal capacity and only with respect to its own liability, shall be entitled to rely upon or utilize in any way such approval.

#### **APPROVAL OF PROFESIONAL FEES & DISBURSEMENTS**

4. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee and its counsel as set out in the Second Report and the Fee Affidavits appended thereto are hereby approved.

5. **THIS COURT ORDERS** that the anticipated further fees and disbursements of the Proposal Trustee and its counsel in connection with the completion by the Proposal Trustee of its remaining duties and administration of the NOI Proceedings, estimated not to exceed \$100,000 (the “**Estimate to Completion**”), as set out in the Second Report, be and are hereby approved, and that the Proposal Trustee its counsel shall not be required to pass their accounts in respect of any further activities in connection with the administration of the NOI Proceedings.

#### **DISTRIBUTION OF FUNDS TO RBC**

6. **THIS COURT ORDERS** that, upon the closing of the transaction (“**Transaction**”) contemplated by the stalking horse sale agreement between the Company, as seller, and 1488108 B.C. Ltd., as purchaser, dated June 20, 2024 (the “**Stalking Horse Agreement**”), approved by separate order of this Court and pursuant to which the Proposal Trustee is to receive payment of the purchase price on closing (the “**Proceeds**”), the Proposal Trustee be and is hereby authorized and directed to apply and distribute Proceeds as follows:

- (a) issue payment of the professional fees and disbursements approved in paragraph 3 hereof;
- (b) issue payment of or make provision for any amounts that are legal payable by the Company in priority to the secured indebtedness owing by the Company to RBC;
- (c) after paying or making provision for each of the foregoing, distribute all remaining Proceeds to RBC, provided that such distribution to RBC shall not exceed the amount of RBC’s secured claim against the Company; and
- (d) remit to the Company any balance after effecting the foregoing payments and distributions.

## **PROTECTIONS IN FAVOUR OF THE PROPOSAL TRUSTEE**

7. **THIS COURT ORDERS** that notwithstanding any provision of this Order and the cessation of the NOI Proceedings, nothing herein shall affect, vary, derogate from, limit, or amend and the Proposal Trustee shall continue to have the benefit of, all of the rights, approvals and protections in favour of the Proposal Trustee at law, or pursuant to the BIA, or the Order of this Court dated July 2, 2024, or any other Order of this Court in these NOI Proceedings, all of which are expressly continued and confirmed, including any and all actions taken by the Proposal Trustee after the date of this Order.

8. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against the Proposal Trustee, in any way arising from or related to its capacity or conduct as the Proposal Trustee, except with prior leave of this Court on no less than fifteen (15) days' prior written notice to the Proposal Trustee.

## **RELEASES**

9. **THIS COURT ORDERS** that effective as of the date on which the Proposal Trustee files with Court the Proposal Trustee's Vesting Certificate in respect of the Transaction, in addition to the protections in favour of the Proposal Trustee in any order of this Court or pursuant to the BIA, KPMG and Royal Bank of Canada, their respective counsel, and each of their respective affiliates, officers, directors, partners, employees, and agents, as applicable (collectively, the "**Released Parties**") shall be released and forever discharged from any and all liability that the Released Parties now or may hereafter have by reason of any act, omission, transaction, dealing, or other occurrence in any way relating to, arising out of, or in respect of these NOI proceedings, the Stalking Horse Agreement, the stalking horse sale process, including in carrying out any incidental matters, whether known or unknown, matured or unmatured, foreseen or unforeseen, relating to

matters that were raised, or could have been raised, in the within proceedings (collectively, the “**Released Claims**”), save and except for any gross negligence or wilful misconduct.

**GENERAL**

10. **THIS COURT ORDERS** that this Order is effective as of 12:01 a.m. from today’s date and is enforceable without the need for entry and filing, provided that the Company shall have this order issued and entered through the Court office.



AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF PIONEER BALLOON CANADA LIMITED

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<b>ONTARIO</b> <b>SUPERIOR COURT OF JUSTICE</b> <b>(IN BANKRUPTCY &amp; INSOLVENCY)</b>	
Proceedings commenced in Hamilton	
<b>ORDER</b> <b>(Ancillary Relief)</b>	
<b>LOOPSTRA NIXON LLP</b> 130 Adelaide St. West – Suite 2800 Toronto, ON M5H 3P5	
<b>R. Graham Phoenix</b> Tel: (416) 746-4710 Fax: (416) 746-8319 Email: <a href="mailto:gphoenix@LN.law">gphoenix@LN.law</a>	
<b>Shahrzad Hamraz</b> Email: <a href="mailto:shamraz@LN.law">shamraz@LN.law</a>	
<i>Lawyers for Pioneer Balloon Canada Limited</i>	