

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 25TH DAY
)
 JUSTICE *M. J. VALENTE*) 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

APPROVAL AND VESTING ORDER

THIS MOTION, made by Pioneer Balloon Canada Limited (the "**Company**") for an order approving the sale transaction (the "**Transaction**") contemplated by the stalking horse asset purchase agreement (the "**Sale Agreement**") between the Company and Goodlevel Enterprises Canada Ltd. (formerly 1488108 B.C. Ltd.) (the "**Purchaser**") dated June 20, 2024 and appended to the second report of KPMG Inc., in its capacity as proposal trustee (the "**Proposal Trustee**") dated July 17, 2024 (the "**Second Report**"), and vesting in the Purchaser the Company's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this via Judicial Videoconference 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, and the Second Report and the appendices thereto, AND ON HEARING the submissions of counsel for the Company, counsel for the Proposal Trustee, counsel for the Royal Bank of Canada, 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:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved; and, the Company and Proposal Trustee are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Proposal Trustee's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Proposal Trustee's Certificate**"), all of the Company's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Valente dated July 2, 2024; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**", and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Proposal Trustee's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

4. THIS COURT ORDERS AND DIRECTS the Proposal Trustee to file with the Court a copy of the Proposal Trustee's Certificate, forthwith after delivery thereof.

5. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Proposal Trustee is authorized and

permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Company's past and current employees, including any personal information of employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Company.

6. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Company and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Company;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Company and shall not be void or voidable by creditors of the Company, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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

8. 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.

A handwritten signature in cursive script, appearing to read "Mary", is written over a horizontal line.

Schedule A – Form of Proposal Trustee’s Certificate

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PIONEER BALLOON CANADA LIMITED

PROPOSAL TRUSTEE’S CERTIFICATE**RECITALS**

A. On June 12, 2024, Pioneer Balloon Canada Limited (the “**Company**”) filed a Notice of Intention to Make a Proposal pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, naming KPMG Inc. as proposal trustee (in such capacity, the “**Proposal Trustee**”).

B. On July 2, 2024, this Honourable Court (a) authorized the Company to enter into a stalking horse asset purchase agreement (the “**Sale Agreement**”), as vendor, with Goodlevel Enterprises Canada Ltd. (formerly 1488108 B.C. Ltd.), as purchaser (the “**Purchaser**”) and (b) approved a stalking horse sales process, administered by the Proposal Trustee.

C. On July 25, 2024, the Honourable Court approved, *inter alia*, approved the Sale Agreement which provided for the vesting in the Purchaser of the Company’s right, title and interest in and to the Purchased Assets (*as defined in the Sale Agreement*), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have

been satisfied or waived by the Company and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Proposal Trustee.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Proposal Trustee has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Company and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Proposal Trustee.

This Certificate was delivered by the Proposal Trustee at _____ [TIME] on _____ [DATE].

KPMG INC., solely in its capacity as Proposal Trustee of Pioneer Balloon Company Limited, and not in its personal or corporate capacities

Per: _____
Name:
Title:

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

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

Proceedings commenced in Hamilton

**ORDER
(Approval & Vesting Order)**

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