

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

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

MOTION RECORD OF PIONEER BALLOON CANADA LIMITED
(Returnable Tuesday, July 2, 2024, at 10:00am via Judicial Videoconference)

June 21, 2024

LOOPSTRA NIXON LLP
130 Adelaide St., W., Suite 2800
Toronto, ON M5H 3P5

R. Graham Phoenix (LSO No.: 52650N)
Tel: (416) 748-4776
Fax: (416) 746-8319
Email: gphoenix@LN.law

Shahrzad Hamraz (LSO No.: 85218H)
Tel: (416) 748-5116
Fax: (416) 746-8319
Email: shamraz@LN.law

Lawyers for Pioneer Balloon Canada Limited

TO: THE ATTACHED SERVICE LIST

SERVICE LIST
(as of June 21, 2024)

TO: **LOOPSTRA NIXON LLP**
130 Adelaide St. W., Suite 2800
Toronto, ON M5H 3P5

R. Graham Phoenix
Tel: (416) 748-4776
Email: gphoenix@LN.law

Shahrzad Hamraz
Tel: (416) 748-5116
Email: shamraz@LN.law

Counsel to Pioneer Balloon Canada Limited

AND TO: **KPMG INC.**
333 Bay St., Suite 4600
Toronto, ON M5H 2S5

Pritesh Patel
Email: pritpatel@kpmg.ca
Tel: (416) 271-1266

Proposed Trustee

AND TO: **BORDEN LADNER GERVAIS**
22 Adelaide St., W., Suite 3400
Toronto, ON M5H 4E3

Alex MacFarlane
Tel: (416) 367-6305
Email: amacfarlane@blq.com

Counsel to Proposed Trustee

AND TO: **HARRISON PENZA LLP**
120 Adelaide St., W., Suite 2500
Toronto, ON M5H 1T1

Tim Hogan
Tel: (519) 850-5568
Email: thogan@harrisonpenza.com

Counsel to Royal Bank of Canada

AND TO: **CANADA REVENUE AGENCY**
c/o Department of Justice
Ontario Regional Office

120 Adelaide St. W., Suite 400
Toronto, ON M5H 1T1

Rakhee Bhandari

Tel: (416) 952-8563

Email: rakhee.bhandari@justice.gc.ca

Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca

AND TO: **HIS MAJESTY THE KING IN RIGHT
OF ONTARIO AS REPRESENTED BY
THE MINISTRY OF FINANCE**
Revenue Collections Branch – Insolvency Unit
33 King St. W., P.O. Box 627
Oshawa, ON L1H 8H5

Email: insolvency.unit@ontario.ca

AND TO: **OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY**
25 St. Clair Avenue – East (6th Floor)
Toronto, ON M4T 1M2

Tel: (416) 973-6441

Fax: (416) 973-7440

Email: osbservice-bsfservice@ised-isde.gc.ca

AND TO: **RCAP LEASING INC.**
300-5575 North Service Rd.
Burlington, ON L7L 6M1

Email: rcap.collections@rcapleasing.com

AND TO: **CWB NATIONAL LEASING INC.**
1525 Buffalo Place 2998419
Winnipeg, MB R3T 1L9

Email: customerservice@cwbnationalleasing.com

AND TO: **FGI WORLDWIDE LLC**
80 Broad St., 22nd Floor
New York, NY 10004

AND TO: **BLAKE, CASSELS & GRAYDON LLP**
199 Bay Street, Suite 4000
Toronto, ON M5L 1A9

Stacey Conway

Tel: (416) 863-2283

Email: stacey.conway@blakes.com

Counsel to FGI Worldwide LLC

AND TO: **VAULT CREDIT CORPORATION**
41 Scarsdale Road Unit 5
Toronto, ON M3B 2R2

Email: Support@vaultcredit.ca

AND TO: **HONDA CANADA FINANCE INC.**
180 Honda Blvd.
Markham, ON L6C 0H9

Tel.: (800) 387-5399

AND TO: **RBC RETIREMENT SAVINGS PLANS**

Samuel Parras
Tel.: (289) 659-7965
Email: samuel.parras@rbc.com

EMAIL SERVICE LIST

gphoenix@LN.law; shamraz@LN.law; pritpatel@kpmg.ca; amacfarlane@blg.com;
thogan@harrisonpensa.com; rakhee.bhandari@justice.gc.ca; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca;
insolvency.unit@ontario.ca; osbservice-bsfservice@ised-isde.gc.ca;
rcap.collections@rcapleasing.com; customerservice@cwbnationalleasing.com;
stacey.conway@blakes.com; Support@vaultcredit.ca; samuel.parras@rbc.com

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

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

INDEX

| TAB | DOCUMENT | PAGE # |
|-----|--|--------|
| 1 | Notice of Motion (returnable July 2, 2024) | 9 |
| 1A | Draft Order re: Stay Extension, Stalking Horse Sale Process Approval | 18 |
| 2 | Affidavit of Marylynn Borondy, Sworn June 21, 2024 | 44 |
| 2A | Exhibit "A" – Certificate of filing from the Superintendent of Bankruptcy | 57 |
| 2B | Exhibit "B" – Corporate profile report of Pioneer Balloon Canada Limited (the "Company") | 60 |
| 2C | Exhibit "C" – RBC Credit Agreement | 72 |
| 2D | Exhibit "D" – General Security Agreement | 104 |
| 2E | Exhibit "E" – Personal Property Security Act search report in respect of the Company | 115 |
| 2F | Exhibit "F" – List of creditors for the Company filed in their Proposal Proceeding | 160 |
| 2G | Exhibit "G" – RBC's Demand and NITES, delivered on the Company | 170 |

| | | |
|----|--|-----|
| 2H | Exhibit “H” – Proposed Stalking Horse Agreement | 176 |
| 2I | Exhibit “I” – Proposed Sale Process, including the bidding procedures to be used therein | 204 |

TAB 1

Court File No. 32-3091796
Bankruptcy Estate File No. 32-3091796

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

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

NOTICE OF MOTION
(returnable Tuesday, July 2, 2024 @ 10:00am via Judicial Videoconference)

Pioneer Balloon Canada Limited (the “**Company**”) has filed a Notice of Intention to Make a Proposal (an “**NOI**”) under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and KMPG Inc. was named as proposal trustee (the “**Proposal Trustee**”). The Company will make a motion to a judge presiding over the Ontario Superior Court of Justice (in Bankruptcy & Insolvency) (the “**Court**”) on July 2, 2024 at 10:00 a.m., or as soon after that time as the motion can be heard, which motion shall be heard virtually by judicial videoconference to be set by the Court office and may be attended online by accessing the videoconference link to be posted on the Court’s *Caselines* portal for this matter. A direct link will be circulated by email to those members of the Service List with known email addresses prior to the hearing.

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

THE MOTION IS FOR:

1. an order, substantially in the form attached hereto as Schedule “A” (the “**Draft Order**”) including, *inter alia*:
 - (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) extending the time for the Company to file a proposal under section 50.4(9) of the BIA by 35 days to and including August 16, 2024;
 - (c) approving the stalking horse asset purchase agreement dated June 20 2024 (the “**Stalking Horse Agreement**”), between the Company and 1488108 B.C. LTD, as purchaser (the “**Stalking Horse Bidder**”), as appended as Exhibit “H” to the affidavit of Marylynn Borondy sworn June 21, 2024 (the “**Borondy Affidavit**”);
 - (d) approving the stalking horse sale process as described in the Borondy Affidavit and the First Report of the Proposal Trustee, to be filed with the Court (the “**First Report**”); and, as set out in the sale procedures appended as Appendix “A” to the draft order (the “**Sale Process**”);
 - (e) granting a super-priority charge over the assets of the Company as security for (i) the professional fees and disbursements of counsel to the Company, the Proposal Trustee and counsel to the Proposal Trustee (the “**Administration Charge**”); and
2. such further and other relief as counsel may advise and this Court may permit.

THE GROUNDS FOR THE MOTION ARE:

Background

- 3. The Company is incorporated in the Province of Ontario and is headquartered and operates out of leased premises in Hamilton, Ontario and is in the business of the manufacture, sale and distribution balloons for all manner of occasions;
- 4. The Company is the subsidiary of Pioneer National Latex (the “**Parent**”), a US-based, global balloon manufacturer for over 100 years.
- 5. On September 22, 2023, the Parent entered into restructuring proceedings under the chapter 11 of title 11 (“**Chapter 11**”) of the United States Code (the “**US Proceedings**”), which resulted in a sale of the Parent’s US-based assets and operations but did not result in the sale of, among other things, the business or assets of the Company.

6. Upon the closing of the sale in the US Proceedings, the Company will have no further ties to, or support from, operations in the US.
7. Apart from the end of its relationship with an operating Parent in the US, the Company is insolvent, with approximately \$2,300,000 in secured debt and approximately \$1,200,000 in unsecured trade debt.
8. Royal Bank of Canada (“**RBC**”) is the Company’s senior secured lender and is owed more than \$2,300,000 and, on May 30, 2024, RBC issued a demand for repayment and Notice of Intention to Enforce Security pursuant to section 244(1) of the BIA;

Stalking Horse Agreement

9. The Stalking Horse Bidder had pursued an acquisition of the US business in the US Proceedings but was unsuccessful; however, it remained interested in acquiring the Canadian operations.
10. Leading up to the commencement of these proceedings, the Company was in contact with the Stalking Horse Bidder about a possible offer to acquire the business of the Company.
11. Ultimately, the Stalking Horse Bidder agreed to stand as a stalking horse bidder in a sale process administered by the Proposal Trustee, and submitted the Stalking Horse Agreement to stand as the stalking horse offer;
12. The Stalking Horse Agreement contemplates:
 - (a) the acquisition of all assets of the Company on an “as is, where is” basis;
 - (b) a purchase price of \$2,300,000;
 - (c) a deposit of \$230,000;
 - (d) potential offers of continued employment to a majority of employees;

- (e) represent the stalking horse offer in what is to be a competitive, transparent Sale Process (*as outlined below*);
- (f) a break fee of \$75,000 and a cost reimbursement of \$25,000 (collectively, the “**Break Fee & Cost Reimbursement**”) if the Stalking Horse Agreement is not selected as the Successful Bid (as defined in the Sale Process);
- (g) the offer is conditional on final Court approval and the granting of an approval and vesting order.

Sale Process

13. The Sale Process is as described in the Borondy Affidavit, the First Report and as set out in the bidding procedures appended as Appendix “A” to the draft order, and provides, in summary:

- (i) identification of potentially interested parties (each an “**Interested Party**”) by the Company and the Proposal Trustee;
- (ii) a teaser mailout to each Interested Party regarding the opportunity;
- (iii) a 23-day marketing and due diligence period, during which time each Interested Party that has executed a confidentiality and non-disclosure agreement can access a virtual data room;
- (iv) a bid deadline of 5PM (ET) on July 10, 2024 (the “**Bid Deadline**”) that requires Interested Parties to submit “qualifying” binding offers to the Proposal Trustee, being offers that, *inter alia*:
 - (A) are submitted on a template agreement of purchase and sale, blacklined to the Stalking Horse Agreement;

- (B) for a purchase price equal to the Stalking Horse Bid, plus the Break Fee & Cost Reimbursement and a \$100,000 minimum overbid;
- (C) are accompanied by a deposit equal to no less than 10% of the purchase price;
- (D) are not conditional on financing; and
- (E) are accompanied by evidence, satisfactory to the Proposal Trustee, of the offeror's financial capacity to complete the proposed transaction.

(all such offers, "**Qualifying Offers**"); and

- (v) a potential auction among parties submitting Qualifying Offers.

14. Importantly, because of the Company's liquidity issues, with the support of RBC, the sales process commenced immediately after filing of the NOI, with the Proposal Trustee identifying potential purchasers and soliciting interest from the same and granting access to due diligence materials. The initial notice to Interested Parties explained that the Company anticipated returning to Court to approve a sale process and a possible stalking horse bid in connection with the Bid Deadline.

Approval of the Stalking Horse Agreement and Sale Process

15. The Stalking Horse Agreement is consistent with conventional "stalking horse" offers and practices in the insolvency industry.
16. The Sale Process including the bidding procedures and milestones as set out in set out the First Report and the Borondy Affidavit, are consistent with insolvency practices and procedures in like circumstances, are favourable to the Company and are reasonable having regard to the circumstances.

17. The Sale Process will facilitate a transparent, Court-supervised process in an attempt to maximize potential realizations on, and/or investment in, the business and assets of the Company;

Administration Charge

18. The Company request the granting of a first-ranking Administration Charge in the amount of \$150,000.
19. Each of the proposed beneficiaries of the Administration Charge will play a critical role in the Proposal Proceedings and restructuring steps. It is unlikely that they will participate in these Proposal Proceedings unless the Administration Charge is granted to secure their fees and disbursements.
20. The granting of the Administration Charge is in line with prevailing insolvency practices and the proposed amount thereof is appropriate in the circumstances.

Extension to Time to File a Proposal

21. The stay of proceedings will expire July 12, 2024.
22. The Company seeks an extension of time to file a proposal to and including August 16, 2024, in order to provide stability to the Company's business while the Proposal Trustee implements the proposed SISP.
23. The Company has, with the assistance of the Proposal Trustee, prepared an extended cash flow forecast which demonstrates that the Company will have (with the continued support of the Company's senior secured creditor, RBC sufficient funding to continue operating through to the end of requested extension period,
24. If the requested extension is granted, the Company will not only be able to implement the Sale Process but will be able to explore options for making viable proposals to its creditors in conjunction therewith.

25. Without the extension, the Company will not be in a position to make viable proposals to their creditors before July 12, 2024 and will likely become bankrupt, to the detriment of their creditors and stakeholders.
26. None of the Company's creditors will be materially prejudiced if the requested extension is granted.
27. The Company has acted, and are acting, in good faith and with due diligence.

Support of Proposal Trustee and Other Grounds

28. The Proposal Trustee supports the relief being sought by the Company.
29. The senior secured lender, RBC, supports the relief sought herein.
30. The secured creditors likely to be affected by the Administration Charge have been provided notice of this motion.
31. The other grounds set out in the affidavit Borondy Affidavit.
32. The other grounds set out in the First Report.
33. The Consolidated Practice Direction Concerning the Commercial List and the inherent and equitable jurisdiction of this Court.
34. Sections 50.4(9), 50.6, 64.1 and 64.2 of the BIA,
35. Rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended.
36. such further and other grounds as counsel may advise and this Court may permit.

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

- (a) the Borondy Affidavit and the exhibits thereto;
- (b) the First Report and the appendices thereto; and

(c) such further and other material as counsel may advise and this Court may permit.

Date: June 21, 2024

LOOPSTRA NIXON LLP

130 Adelaide Street West – Suite 2800
Toronto, ON M5H 3P5

R. Graham Phoenix

Tel: (416) 748 4776

Fax: (416) 746 8319

Email: gphoenix@LN.law

Shahrzad Hamraz

Tel: (416) 748-5116

Fax: (416) 746 8319

Email: shamraz@LN.law

*Lawyers for Pioneer Balloon Canada
Limited*

TO: ATTACHED SERVICE LIST

TAB A

SCHEDULE “A”*DRAFT ORDER**[see attached]*

Court File No. 32-3091796
 Bankruptcy Estate File No. 32-3091796

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

THE HONOURABLE) <*>, THE <*> DAY
)
 JUSTICE _____) 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

(Stay Extension, Stalking Horse Sale Process Approval; Administration Charge)

THIS MOTION, made by Pioneer Balloon Canada Limited 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) extending the time for the Company to file a proposal under section 50.4(9) of the BIA by 35 days to and including August 16, 2024;
- (c) approving the stalking horse asset purchase agreement dated June 20, 2024 (the “**Stalking Horse Agreement**”), between the Company and 1488108 B.C. LTD. as purchaser (the “**Stalking Horse Bidder**”), as appended as Exhibit “H” to the affidavit of Marylynn Borondy sworn June 21 2004 (the “**Borondy Affidavit**”);

(d) approving the stalking horse sale process as described in the Borondy Affidavit and the First Report of the Proposal Trustee, to be filed with the Court (the “**First Report**”); and, as set out in the sale process and procedures appended as Appendix “A” hereto (the “**Sale Process**”); and

(e) granting a super-priority charge over the assets of the Company as security for the professional fees and disbursements of counsel to the Company, the Proposal Trustee and counsel to the Proposal Trustee (the “**Administration Charge**”),

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 Borondy Affidavit and the exhibits thereto, the First 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 (“**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 June 21, 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.

EXTENSION OF TIME

2. **THIS COURT ORDERS** that the time for the filing of a proposal by the Company is hereby extended in accordance with section 50.4(9) of the BIA up to and including August 16, 2024.

APPROVAL OF STALKING HORSE AGREEMENT & SALE PROCESS

Stalking Horse Agreement

3. **THIS COURT ORDERS** that Stalking Horse Agreement hereby approved, and the Company and Proposal Trustee (as applicable) are hereby authorized to execute such documents and do such things as are necessary or advisable in connect with the Stalking Horse Agreement.

Sale Process & Procedures

4. **THIS COURT ORDERS** that the Sale Process is hereby approved.

5. **THIS COURT ORDERS** that the Company and the Proposal Trustee are authorized and directed to perform their obligations under, and take such steps as they consider necessary or desirable in carrying out, the Sale Process; and, that any step taken by the Company or the Proposal Trustee in connection with the Sale Process prior to the date of this Order is approved and ratified.

6. **THIS COURT ORDERS** that the Proposal Trustee shall have no personal or corporate liability in connection with the Sale Process, including, without limitation:

- (a) by advertising the Sale Process;
- (b) by exposing the assets, properties and undertakings of the Company to any and all parties, including, but not limited to, those parties who have made their interests known to the Proposal Trustee and/or the Company;
- (c) by responding to any and all requests or inquiries regarding due diligence conducted in respect of the Company and its assets, properties and undertakings;
- (d) through the disclosure of any and all information Company and its assets, properties and undertakings arising from, incidental to or in connection with the Sale Process;
- (e) pursuant to any and all offers received by the Proposal Trustee in accordance with the Sale Process; and

(f) pursuant to any agreements entered into by any of the Proposal Trustee acting for the Company in respect of the sale of any its assets, properties and undertakings.

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), the Company and the Proposal Trustee are authorized and permitted to disclose personal information of identifiable individuals to prospective purchasers of the assets, properties and undertakings of the Company and their respective advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales (each, a “**Sale**”). Each prospective purchaser to whom such information is provided shall limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale or Investment, it shall return all such information to the Company or the Proposal Trustee, or in the alternative destroy all such information. The purchaser of any of the assets, properties and undertakings of the Company shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Company, and shall return all other personal information to the Company or the Proposal Trustee, or ensure that all other personal information is destroyed.

ADMINISTRATIVE CHARGE

8. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Company shall be paid their reasonable fees and disbursements (the “**Professional Fees**”), in each case at their standard rates and charges, by the Company as part of the costs of these proceedings. The Company is authorized and directed to pay the accounts of the Proposal Trustee, counsel for the Proposal Trustee and counsel for the Company on a weekly basis and, in addition, the Company is authorized to pay to the Proposal Trustee, counsel to the Proposal Trustee, and counsel to the Company, such retainers are agreed to among such parties to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

9. **THIS COURT ORDERS** that the Proposal Trustee and its legal counsel shall pass their accounts from time to time, and for this purpose, the accounts of the Proposal Trustee and its legal counsel are referred to a judge of the Ontario Superior Court of Justice.

10. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee, and the Company's counsel shall be entitled to the benefit of and are granted a charge (the "**Administration Charge**") over and against the assets, undertakings and properties of the Company (collectively, the "**Property**"), which charge shall not exceed an aggregate amount of \$150,000, as security for, as applicable, the Professional Fees, both before and after the making of this Order in respect of these proceedings; and that the Administration Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

11. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

12. **THIS COURT ORDERS** that the Administration Charge shall not be rendered invalid or unenforceable, and the rights and remedies of the chargees entitled to the benefit of the same (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by:

- (a) the pendency of these proposal proceedings and the declarations of insolvency made herein;
- (b) any application(s) for bankruptcy, interim receivership or receivership order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications;
- (c) the filing of any assignments or deemed assignments for the general benefit of creditors made pursuant to the BIA;
- (d) any application made pursuant to the *Companies Creditors' Arrangement Act* or any order made pursuant to such application;
- (e) the provisions of any federal or provincial statutes; or

(f) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Company and notwithstanding any provision to the contrary in any Agreement.

13. Notwithstanding any provision to the contrary in any Agreement:

(a) the creation of the Administration Charge shall create or be deemed to constitute a breach by the Company of any Agreement to which it 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 creation of the Administration Charge;

(c) the payments made by the Company pursuant to this Order and the granting of the Administration Charge do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law, including but not limited to the BIA.

14. **THIS COURT ORDERS** that any Charge created by this Order over one or more leases of real property in Canada shall only be a Charge in the Company’s interest in such real property leases.

SERVICE & NOTICE

15. **THIS COURT ORDERS** that the Guide Concerning Commercial List E-Service (the “**Guide**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 14 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website (defined in the Guide) shall be established in accordance with the Guide with the following URL: kpmg.com/ca/pioneerballoon.

16. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Company and the Proposal Trustee are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by ordinary prepaid mail, courier, personal delivery or facsimile transmission to the Company's creditors or other interested parties at their respective addresses as last shown on the records of the Company and that any such service or distribution by courier, personal delivery or facsimile 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.

17. **THIS COURT ORDERS** that the Company, the Proposal Trustee and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Company's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

18. **THIS COURT ORDERS** that the Proposal Trustee may from time to time apply to this Court for advice and directions in the discharge of its powers and duties under this Order.

19. **THIS COURT ORDERS** that nothing in this Order shall prevent the Proposal Trustee from subsequently expressly acting as an interim receiver, a receiver, a receiver and manager or a trustee in bankruptcy of the Company or the Property.

20. **THIS COURT 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, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Company and the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order,

to grant representative status to the Proposal Trustee in any foreign proceeding or to assist the Company, the Proposal Trustee and their respective agents in carrying out the terms of this Order.

21. **THIS COURT ORDERS** that each of the Company and the Proposal Trustee is at liberty and is authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Proposal Trustee is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

22. **THIS COURT ORDERS** that any interested party (including the Company and the Proposal Trustee) 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, provided, however, that the Chargees shall be entitled to rely on this Order as granted and on the Charge and priorities set forth in paragraph 11 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

23. **THIS COURT ORDERS** that any interested party (including the Company and the Proposal Trustee) may apply to this Court to vary or amend this Order on not less than seven days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

24. **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.

SCHEDULE “A”

BIDDINGPROCEDURES & SALE PROCESS

Schedule A

Bidding Procedures for the Sale Process

INTRODUCTION

1. On June 12, 2024 (the “**Filing Date**”), Pioneer Balloon Canada Limited (the “**Vendor**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”, and the proceedings, the “**NOI Proceedings**”).
2. KPMG Inc., a licensed insolvency trustee, was appointed as the Trustee acting *in re* the proposal of the Vendor (the “**Trustee**”) under the NOI Proceedings.
3. In connection with the NOI Proceedings, the Vendor will apply to the Ontario Superior Court of Justice, Commercial List (the “**Court**”), for an order (the “**Sale Process Order**”), among other things, authorizing the Trustee, with the assistance of the Vendor’s management team, to undertake a sale process (“**Sale Process**”) for the sale of the Vendor’s (A) property, assets and undertaking or shares in the capital of one or more of the Debtors (collectively, the “**Property**”), including liquidation offers for the Debtors’ inventory and equipment, and/or (B) business operations (the “**Business**”). The Sale Process will be conducted by the Trustee in the manner set forth herein and in accordance with the Sale Process Order.
4. Among other things, the Sale Process Order will also: (a) approve the procedures set out in this Schedule (the “**Bidding Procedures**”) for the solicitation of offers or liquidation proposals (each, a “**Bid**”) for the acquisition of the Property and the Business or some portion thereof; and (b) approve the form of stalking horse agreement (as same may be amended from time to time pursuant to its terms and the Sale Process Order, the “**Stalking Horse Agreement**”) to be entered into between Pioneer Balloon Canada Limited, as Vendor, and 1488108 B.C. Ltd. (the “**Stalking Horse Bidder**”), as purchaser, for the purposes of serving as the stalking horse bid in the Sale Process (the “**Stalking Horse Bid**”). For the avoidance of doubt, the implementation of the transactions contemplated by the Stalking Horse Agreement are conditional upon the Stalking Horse Bid being selected as a Successful Bid (as defined below) in accordance with the Bidding Procedures and Court approval of the Stalking Horse Agreement and the transactions contemplated therein on a subsequent motion to be brought by the Vendor following the completion of the Sale Process.

Bidding Procedures

Opportunity

5. The Sale Process is intended to solicit interest in and opportunities for a sale of all or part of the Vendor’s Property and Business (the “**Opportunity**”). The Opportunity may include a sale of all, substantially all or one or more components of the Vendor’s Property and Business as a going concern or otherwise.
6. Any sale of any of the Property and the Business will be on an “*as is, where is*” basis and without surviving representations or warranties of any kind, nature, or description by the

Trustee, the Vendor or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Vendor in and to the Property to be acquired will be sold free and clear of, *inter alia*, all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, except as otherwise provided in such Court orders and definitive documents.

7. The Stalking Horse Agreement constitutes a Binding Offer (as defined below) by the Stalking Horse Bidder (which constitutes a Binding Offer Bidder (as defined below)) for all purposes and at all times under this Sale Process and will serve as the Stalking Horse Bid for purposes of this Sale Process and the Bidding Procedures and have the right to participate in the Auction (as defined below), if any. A copy of the Stalking Horse Agreement will be made available to all Qualified Bidders (as defined below) and a form of such purchase agreement, to be uploaded to the VDR (as defined below), may be used as the basis for any Binding Offer made in the Sale Process.
8. The Bidding Procedures describe the manner in which prospective bidders may gain access to due diligence materials concerning the Vendor, the Property and the Business, the manner in which bidders may participate in the Sale Process, the requirement of and the receipt and negotiation of bids received, the ultimate selection of a Successful Bidder (as defined below) and the requisite approvals to be sought from the Court in connection therewith.
9. Subject to paragraph 27 below, the Trustee, in consultation with the Vendor, may at any time and from time to time, modify, amend, vary or supplement the Bidding Procedures, without the need for obtaining an order of the Court or providing notice to Qualified Bidders, Binding Offer Bidders or the Successful Bidder(s) (as each are defined below) provided that such modification, amendment, variation or supplement is expressly limited to changes that do not alter, amend or prejudice the rights of such bidders (including the rights of the Stalking Horse Bidder, except with the authorization of the Stalking Horse Bidder) and are necessary or useful in order to give effect to the substance of the Sale Process, the Bidding Procedures or the Sale Process Order. Notwithstanding the foregoing, the dates or time limits indicated in the table contained below may be extended by the Trustee, as the Trustee deems necessary or appropriate, or by order of the Court.
10. The Trustee will post on the Trustee's website and serve on the service list maintained in the NOI Proceedings, as soon as practicable, any such modification, amendment, variation or supplement to these Bidding Procedures and inform the bidders impacted by such modifications.
11. The Sale Process will be conducted by the Trustee in the manner set forth herein and in accordance with the Sale Process Order. In the event of a dispute as to the interpretation or application of the Sale Process Order or these Bidding Procedures, the Court will have exclusive jurisdiction to hear and resolve such dispute. For the avoidance of doubt, all bidders shall be deemed to have consented to the jurisdiction of the Court in connection with any disputes relating to the Sale Process, including the qualification of bids, the construction and enforcement of the Sale Process, and closing of a Successful Bid, as applicable.

12. Participants in the Sale Process are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, the Auction and any further negotiations or other actions whether or not they lead to the consummation of a transaction.

13. A summary of the key dates pursuant to the Sale Process is as follows:

| Milestone | Date |
|---|--|
| Commence solicitation of interest from parties, including delivering NDA and Teaser Letter, and upon execution of NDA (each as defined below) and access to VDR | By no later than June 13, 2024 ¹ |
| Binding Offer Deadline (as defined below) | By no later than 5:00 p.m. (Eastern Time) on July 10, 2024 |
| Auction, if needed | By no later July 12, 2024 |
| Selection of Successful Bid | By no later than July 12, 2024 |
| Approval Motion (as defined below) | By no later than July 26, 2024 or the earliest date available thereafter |
| Closing of Successful Bid | As soon as possible but no later than July 31, 2024 |

Solicitation of Interest: Notice of the Sale Process

14. As soon as reasonably practicable after the Filing Date,

- a. the Trustee, in consultation with the Vendor, will prepare a list of potential bidders, including (i) parties that have approached the Debtors or the Trustee indicating an interest in the Opportunity, (ii) strategic and financial parties who the Trustee, in consultation with the Vendor, believe may be interested in purchasing all or part of

¹ The Company and the Proposal Trustee commenced soliciting interest immediately following the filing of the NOI but advised all parties who expressed an interest that a subsequent motion for approval of the sale process and possible stalking horse bid was pending.

the Business or the Property, and (iii) parties that showed an interest in the Vendor and/or its Property prior to the date of the Sale Process Order including by way of the previous, out-of-court strategic review process, in each case whether or not such party has submitted a letter of intent or similar document (collectively, the “**Known Potential Bidders**”); and

- b. the Trustee, with the assistance of the Vendor, will prepare (i) a process summary (the “**Teaser Letter**”) describing the Opportunity, outlining the contemplated process under the Sale Process and inviting recipients of the Teaser Letter to express their interest; and (ii) a non-disclosure agreement in form and substance satisfactory to the Trustee and Vendor and their respective counsel, which shall enure to the benefit of any purchaser of the Business or Property or any part thereof (an “**NDA**”).
15. As soon as reasonably practicable, but, in any event, by no later than five (5) business days after the granting of the Sale Process Order, the Trustee, with the assistance of the Vendor, will provide the Known Potential Bidders with a copy of the Bidding Procedures approved by the Court.
 16. The Trustee will cause the Teaser Letter and NDA to be sent to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Trustee as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Virtual Data Room

17. A confidential virtual data room or rooms (collectively the “**VDR**”) in relation to the Opportunity will be made available by the Trustee to Potential Bidders (as defined below) that have executed the NDA. The VDR will be made available as soon as practicable. The Trustee, in consultation with the Vendor, may establish separate VDRs (including “**clean rooms**”), if the Vendor reasonably determines that doing so would further the Vendor’s and any Potential Bidder’s compliance with applicable antitrust and competition laws, or would prevent the distribution of commercially sensitive competitive information. The Trustee may also, in consultation with the Vendor, limit the access of any Potential Bidder to any confidential information in the VDR where the Trustee, in consultation with the Vendor, reasonably determines that such access could negatively impact the Sale Process, the ability to maintain the confidentiality of the information, the Business, the Property or their value.

Qualified Bidders

18. Any party who wishes to participate in the Sale Process (a “**Potential Bidder**”) must provide to the Trustee and counsel to the Vendor, at the addresses specified in **Appendix “B”** hereto (including by email transmission), an NDA executed by it, acceptable to the Trustee, in consultation with the Vendor, and written confirmation of the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.
19. A Potential Bidder (who has delivered the executed NDA and letter as set out above) will be deemed a “**Qualified Bidder**” if the Trustee, in its reasonable judgment, and in consultation

with the Vendor, determines such person is likely, based on the availability of financing, experience and other considerations, to be able to consummate a sale or liquidation transaction pursuant to the Sale Process. All Qualified Bidders will be granted access to the VDR. For the avoidance of doubt, the Stalking Horse Bidder is, and will be deemed to be, a Qualified Bidder. The Trustee will provide to each Qualified Bidder a copy of the Stalking Horse Agreement and any material amendment thereto.

20. The Vendor, the Trustee and their respective advisors make no representation or warranty as to the information contained in the VDR, Teaser Letter or otherwise made available pursuant to the Sale Process.
21. At any time during the Sale Process, the Trustee may, in its reasonable judgment, and in consultation with the Vendor, eliminate a Qualified Bidder from the Sale Process, in which case such bidder will be eliminated from the Sale Process and will no longer be a "Qualified Bidder" for the purposes of the Sale Process.
22. Potential Bidders must rely solely on their own independent review, diligence, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the Sale Process and any transaction they enter into with one or more of the entities comprising the Vendor.

Due Diligence

23. The Trustee and the Vendor, shall, subject to competitive and other business considerations, afford each Qualified Bidder such access to due diligence materials and information relating to the Property and Business as the Trustee, in consultation with the Vendor, may deem appropriate. Due diligence access may include management presentations, access to the VDR, on-site inspections, and other matters which a Qualified Bidder may reasonably request and as to which the Trustee, in its reasonable judgment, and in consultation with the Vendor, may agree. Any access or interactions with the Vendor's management and personnel shall be coordinated through, and involve a representative of, the Trustee.
24. The Trustee will designate one or more representatives of the Trustee to be solely responsible for coordinating and responding to all requests for information and due diligence access from Qualified Bidders and the manner in which such requests must be communicated. Neither the Trustee, nor the Vendor through the Trustee, will be obligated to furnish any information relating to the Property or Business to any person other than to Qualified Bidders. Further, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Qualified Bidders if the Trustee, in consultation with the Vendor, determines such information to represent proprietary or sensitive competitive information.

Formal Binding Offers

25. Any Qualified Bidder (other than the Stalking Horse Bidder) that wishes to make a formal offer to (A) acquire all or substantially all of the Property or Business, whether through an asset purchase, a share purchase or a combination thereof, must submit a binding offer (a "**Binding Offer**") as a marked version compared to the Stalking Horse Agreement, a copy of

which will be posted in the VDR (the “**Binding Offer Bidder**”), in each case, to the Trustee, no later 5 p.m. EST on July 10, 2024 (the “**Binding Offer Deadline**”).

26. A Binding Offer will be considered if it:

- (a) provides for net cash proceeds on closing no less than the aggregate of: (A) the amount of cash payable under the Stalking Horse Agreement, plus (B) the amount of cash payable to cover the Break Fee of \$75,000, as defined in the Stalking Horse Agreement, plus (C) the amount of legal costs of the Stalking Horse Bidder up to a maximum of \$25,000, plus (D) a minimum overbid amount of \$50,000 (the amounts set forth in this paragraph 26(a), the “**Minimum Purchase Price**”);
- (b) is submitted on or before the Binding Offer Deadline by a Qualified Bidder;
- (c) is made by way of binding, definitive transaction document(s) that is/are executed by the Binding Offer Bidder;
- (d) identifies any executory contracts and leases of the Vendor that the Binding Offer Bidder will assume and clearly describes, for each contract or on an aggregate basis, how all monetary defaults and non-monetary defaults will be remedied, as applicable;
- (e) is not subject to any financing condition, diligence condition or internal or board approval;
- (f) is unconditional, other than upon the receipt of the Approval Order(s) (as defined below) and satisfaction of any other conditions expressly set forth in the Binding Offer;
- (g) contains or identifies the key terms and provisions to be included in any Approval Order;
- (h) contains the Binding Offer Bidder’s proposed treatment of employees of the applicable Vendor entities (for example, anticipated employment offers and treatment of post-employment benefits);
- (i) includes acknowledgments and representations of the Binding Offer Bidder that it: (i) has had an opportunity to conduct any and all due diligence regarding the Opportunity prior to making its Binding Offer; (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property and/or the Business in making its Binding Offer; (iii) did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Opportunity or the completeness of any information provided in connection therewith, other than as expressly set forth in the Binding Offer or other transaction document submitted with the Binding Offer; and (iv) promptly will commence any governmental or regulatory review of the proposed transaction by the applicable competition, antitrust or other applicable governmental authorities;

- (j) includes evidence satisfactory to the Trustee of funds available to pay the Minimum Purchase Price on closing;
- (k) provides for any anticipated corporate, licensing, securityholder, legal or other regulatory approvals required to close the transaction, and an estimate of the anticipated time frame and any anticipated impediments for obtaining such approvals;
- (l) does not provide for any break or termination fee, expense reimbursement or similar type of payment, it being understood and agreed that no bidder will be entitled to any bid protections;
- (m) includes:
 - (i) the specific purchase price in Canadian dollars and a description of any non-cash consideration;
 - (ii) a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
 - (iii) a specific indication of the sources of capital for the Binding Offer Bidder and the structure and financing of the transaction; and
 - (iv) a description of those liabilities and obligations (including operating liabilities) which the Binding Offer Bidder intends to assume and which such liabilities and obligations it does not intend to assume and are to be excluded as part of the transaction;
- (n) includes payment of a deposit in the amount of not less than ten percent (10%) of the cash purchase price payable on closing (the “**Deposit**”) by wire transfer to the Proposal Trustee;
- (o) is accompanied by an acknowledgement that if the Binding Offer Bidder is selected as a Successful Bidder, that the Deposit will be non-refundable subject to approval of such Successful Bid by the Court and the terms described in paragraph 27 below;
- (p) contemplates and reasonably demonstrates a capacity to consummate a closing of the transaction set out therein on the date that is ten (10) days from the date of the issuance of the Approval Order approving such bid, or such earlier date as is practical for the parties to close the contemplated transaction, following the satisfaction or waiver of the conditions to closing and in any event no later than July 31, 2024 (the “**Outside Date**”); and
- (q) includes such other information as reasonably requested or identified as being necessary or required by the Trustee, in consultation with the Vendor.

27. By submitting an offer for consideration at a Binding Offer, it is deemed that such Binding Offer: (i) may be accepted by the Vendor by countersigning the Binding Offer, and (ii) is

irrevocable and capable of acceptance until the earlier of (A) two (2) business days after the date of closing of the applicable Successful Bid; and (B) the Outside Date (as defined below).

28. The Trustee, in its reasonable judgment, and in consultation with the Vendor, may waive compliance with any one or more of the requirements specified above and consider such non-compliant Binding Offer. For the avoidance of doubt, the completion of any Binding Offer shall be subject to the approval of the Court.
29. In the circumstance that a Binding Offer, does not provide for net cash proceeds on closing that are at least equal to the Minimum Purchase Price, the Trustee may elect that such Binding Offer nevertheless be considered as a potential Successful Bid and be entitled to participate in the Auction.

Selection of Successful Bid

30. The Trustee, in consultation with the Vendor, may, following the receipt of any Binding Offer, seek clarification with respect to any of the terms or conditions of such Binding Offer and/or request and negotiate one or more amendments to such Binding Offer prior to determining if the Binding Offer should be considered.
31. The Trustee and the Vendor, will (i) review and evaluate each relevant Binding Offer; and (ii) identify the highest and otherwise best Binding Offer (the “**Successful Bid**”, and the Binding Offer Bidder making such Successful Bid, the “**Successful Bidder**”). The Trustee, in consultation with the Vendor, may consider any commercial factor in evaluating Binding Offers, including speed, certainty, value and preservation of employment.
32. In the event that no Binding Offer is selected (other than the Stalking Horse Bid), the Vendor will promptly seek Court approval of the Stalking Horse Agreement and the transactions contemplated therein. In the event there is at least one Binding Offer in addition to the Stalking Horse Bid, a Successful Bid will be identified through an auction (“**Auction**”) in accordance with the procedure set out below.
33. The Trustee may negotiate with Binding Offer Bidders in any manner it considers appropriate in its business judgment with a view to maximizing the value of the Property, including at the Auction. In the event an Auction is required, the Auction will be conducted in accordance with the procedures set forth in this paragraph:
 - (a) The Auction will commence at a time to be designated by the Trustee and may, in the discretion of the Trustee, be held virtually via videoconference, teleconference or such other reasonable means as the Trustee deems appropriate. The Trustee will consult with the parties permitted to attend the Auction to arrange for the Auction to be so held. Subject to the terms hereof, the Trustee, in consultation with the Vendor, may postpone the Auction.
 - (b) The identity of each Binding Offer Bidder participating in the Auction will be disclosed, on a confidential basis, to other Binding Offer Bidders participating in the Auction.

- (c) Except as otherwise permitted in the Trustee's discretion, only the Vendor, the Trustee and the Binding Offer Bidders, and, in each case, their respective professionals and representatives, will be permitted to attend the Auction. Only Binding Offer Bidders (including, for greater certainty, the Stalking Horse Bidder) are eligible to participate in the Auction.
- (d) Binding Offer Bidders will participate in the Auction through a duly authorized representative.
- (e) Except as otherwise set forth herein, the Trustee may waive and/or employ and announce at the Auction additional rules, including rules to facilitate the participation of parties participating in an Aggregated Bid, that are reasonable under the circumstances for conducting the Auction, provided that such rules are:
 - (i) not inconsistent with the Initial Order, the Sale Process, the Bidding Procedures, the BIA, or any order of the Court issued in connection with the NOI Proceedings;
 - (ii) disclosed to each Binding Offer Bidder; and
 - (iii) designed, by the Trustee, in its reasonable judgment, and in consultation with the Vendor, to result in the highest and otherwise best offer.
- (f) The Trustee may arrange for the actual bidding at the Auction to be transcribed or recorded. Each Binding Offer Bidder participating in the Auction will designate a single individual to be its spokesperson during the Auction.
- (g) Each Binding Offer Bidder participating in the Auction must confirm on the record, at the commencement of the Auction and again at the conclusion of the Auction, that it has not engaged in any collusion with the Vendor or any other person, without the consent of the Trustee, regarding the Sale Process, that has not been disclosed to all other Binding Offer Bidders. For greater certainty, communications between the Stalking Horse Bidder and either the Vendor or the Trustee with respect to and in preparation of the Stalking Horse Agreement, the Sale Process and the Bidding Procedures, prior to the issuance of the Sale Process Order and the commencement of the Sale Process will not represent collusion nor communications prohibited by this paragraph.
- (h) Prior to the Auction, the Trustee will identify the highest and best of the Binding Offers received and such Binding Offers will constitute the opening bid for the purposes of the Auction (the "**Opening Bid**"). Subsequent bidding will continue in minimum increments valued at not less than \$50,000.00 cash in excess of the Opening Bid. Each Binding Offer Bidder will provide evidence of its financial wherewithal and ability to consummate the transaction at the increased purchase price. Further, in the event that an Aggregated Bid qualifies to participate in the Auction, modifications to the bidding requirements may be made by the Trustee, in consultation with the Vendor, to facilitate bidding by the participants in the Aggregated Bid.
- (i) All Binding Offer Bidders will have the right, at any time, to request that the Trustee announce, subject to any potential new bids, the then-current highest and best bid

and, to the extent requested by any Binding Offer Bidder, use reasonable efforts to clarify any and all questions such Binding Offer Bidder may have regarding the Trustee's announcement of the then-current highest and best bid.

- (j) Each participating Binding Offer Bidder will be given reasonable opportunity to submit an overbid at the Auction to any then-existing overbids. The Auction will continue until the bidding has concluded and there is one remaining Binding Offer Bidder. The Trustee and the Vendor shall determine which Binding Offer Bidders have submitted the highest and otherwise best Binding Offer of the Auction, which shall be a Successful Bid. At such time and upon the conclusion of the bidding, the Auction will be closed, and the Binding Offer Bidder with the highest and otherwise best Binding Offer of the Auction will be a Successful Bidder.
- (k) Upon selection of a Successful Bidder(s), if any, the Successful Bidder(s), if any, shall deliver to the Trustee and the Vendor, an amended and executed transaction document that reflects their final bid and any other modifications submitted and agreed to during the Auction, prior to the filing of the motion material for the hearing to consider the Approval Motion.
- (l) Any bids submitted after the conclusion of the Auction will not be considered.
- (m) The Trustee, in consultation with the Vendor, shall be at liberty to modify or to set additional procedural rules for the Auction as it sees fit, including to conduct the Auction by way of written submissions.

34. A Successful Bid, if any, will be selected by no later than 5:00 p.m. (Eastern Time) on July 12, 2024 (or such later date immediately thereafter if the Auction is conducted and not completed in one day). If the applicable Successful Bid is terminated for any reason prior to the Outside Date, the Vendor and the Trustee may elect to, or by further order of the Court, seek to complete the transactions contemplated by the Stalking Horse Bid and will promptly seek to close the transaction contemplated by such Stalking Horse Bid, which will be deemed to be a Successful Bid. The Vendor will be deemed to have accepted such Stalking Horse Bid only when the Vendor and the Trustee have made such election.

Approval of Successful Bid

35. The Vendor will apply to the Court (the “**Approval Motion**”) for one or more orders: (i) approving the Successful Bid(s) and authorizing the taking of such steps and actions and completing such transactions as are set out therein or required thereby; and (ii) granting a vesting order(s) to the extent that such relief is contemplated by the Successful Bid(s) so as to vest title to any purchased assets and/or shares in the name of the applicable Successful Bidder(s) (collectively, the “**Approval Order(s)**”). The Approval Motion will be held on a date to be scheduled by the Vendor and confirmed by the Court upon application by the Vendor. With the consent of the Trustee, the Approval Motion may be adjourned or rescheduled by the Vendor without further notice, by an announcement of the adjourned date at the Approval Motion or in a notice to the service list maintained in the NOI Proceedings prior to the Approval Motion. The Vendor will consult with the Trustee and the applicable

Successful Bidder regarding the motion material to be filed by the Vendor for the Approval Motion.

36. All Binding Offers (other than the Successful Bid(s)) will be deemed rejected on and as of the date of the closing of the applicable Successful Bid(s)), with no further or continuing obligation of the Vendor or the Trustee to any unsuccessful Binding Offer Bidders, including the Stalking Horse Bidder.

Deposits

37. The Deposit(s):

- (a) will, upon receipt from the Binding Offer Bidder(s), be retained by the Trustee and deposited in a non-interest-bearing trust account;
- (b) received from the Successful Bidder(s) will:
 - (i) be applied to the purchase price to be paid by the applicable Successful Bidder whose Successful Bid is the subject of the Approval Order(s), upon closing of the approved transaction; and
 - (ii) otherwise be held and refunded in accordance with the terms of the definitive documentation in respect of the applicable Successful Bid, provided that all such documentation will provide that the Deposit will be retained by the Vendor and forfeited by the Successful Bidder, if its Successful Bid fails to close by the Outside Date and such failure is attributable to any failure or omission of the Successful Bidder to fulfil its obligations under the terms of its Successful Bid; and
- (c) received from the Binding Offer Bidder(s) that are not a Successful Bidder will be fully refunded to the Binding Offer Bidder(s) that paid the Deposit(s), as applicable, as soon as practical following the closing of the applicable Successful Bid.

“As is, Where is”

38. Any sale (or sales), including in the case of liquidation, of the Property or the Business or portions thereof will be on an “**as is, where is**” basis except for representations and warranties that are customarily provided in purchase agreements for a company subject to NOI proceedings. Any such representations and warranties provided for in the definitive documents will not survive closing.

Confidentiality

39. For greater certainty, other than as required in connection with any Auction or Approval Motion and subject to paragraph 27, neither the Vendor nor the Trustee will disclose: (i) the identity of any Potential Bidder or Qualified Bidder (other than the Stalking Horse Bidder); or (ii) the terms of any bid, or Binding Offer (other than the Stalking Horse Agreement), to any other bidder or any of its affiliates. Potential Bidders, Qualified Bidders (including the

Stalking Horse Bidder) and each of their respective affiliates shall not communicate with, or contact, directly or indirectly, any other Potential Bidder, Known Potential Bidder, Qualified Bidder or their respective affiliates, without the express written consent of the Trustee, and such communications or discussions are to take place under the supervision of the Trustee.

Further Orders

40. At any time during the Sale Process, the Vendor or the Trustee may apply to the Court for advice and directions with respect to any aspect of this Sale Process including, but not limited to, the continuation of or termination of the Sale Process or with respect to the discharge of its powers and duties hereunder.

Additional Terms

41. In addition to any other requirement of the Sale Process:
- (a) Any consent, approval or confirmation to be provided by the Stalking Horse Bidder, the Vendor and/or the Trustee is ineffective unless provided in writing and any approval required pursuant to the terms hereof is in addition to, and not in substitution for, any other approvals required by the BIA or as otherwise required at law in order to implement a Successful Bid. For the avoidance of doubt, a consent, approval or confirmation provided by email will be deemed to have been provided in writing for the purposes of this paragraph.
 - (b) Prior to seeking Court approval for any transaction or bid contemplated by this Sale Process, the Trustee will provide a report to the Court on the Sale Process, parts of which may be filed under seal, including in respect of any and all bids received.
42. This Sale Process does not, and will not be interpreted to, create any contractual or legal relationship between the Vendor and any other party, other than as specifically set forth in the NDA or any other definitive agreement executed.
43. Notwithstanding anything to the contrary herein, the Trustee shall have no liability whatsoever to any person or entity, including without limitation any Potential Bidder, Qualified Bidder, Binding Offer Bidder, Successful Bidder, or any other creditor or stakeholder, or any Applicant, as a result of implementation or otherwise in connection with this Sale Process, except to the extent that any such liabilities result from the gross negligence or wilful misconduct of the Trustee, as determined by the Court, and all such persons or entities shall have no claim against the Trustee in respect of the Sale Process for any reason whatsoever.

APPENDIX "B"

The Trustee:

KPMG INC.

333 Bay Street, Suite 4600
Toronto, ON M5H 2S5

Attention: Pritesh Patel
Email: pritchpatel@kpmg.ca

with copies to counsel to the Trustee:

Borden Ladner Gervais LLP

Bay Adelaide Centre, East Tower
22 Adelaide St. W
Toronto, ON, Canada
M5H 4E3

Attention: Alex MacFarlane
Email: AMacfarlane@blg.com

The Debtors

Vendor

c/o Loopstra Nixon LLP

130 Adelaide Street West – Suite 2800
Toronto, ON M5H 3PG

Attention: Graham Phoenix
Email: gphoenix@LN.law

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

Court File No. 32-3091796
Bankruptcy Estate File No. 32-3091796

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

Proceedings commenced in Hamilton

ORDER
(Stay Extension, Stalking Horse Sale Process Approval)

LOOPSTRA NIXON LLP
135 Queens Plate Drive – Suite 600
Toronto, ON M9W 6V7

R. Graham Phoenix
Tel: (416) 746-4710
Fax: (416) 746-8319
Email: gphoenix@LN.law

Shahrzad Hamraz
Email: shamraz@LN.law

Lawyers for Pioneer Balloon Canada Limited

**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**

Court File No. 32-3091796>
Bankruptcy Estate File No. 32-3091796

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

Proceedings commenced at Hamilton

**NOTICE OF MOTION
(returnable July 2, 2024 @ 10:00am)**

LOOPSTRA NIXON LLP

130 Adelaide Street West – Suite 2800
Toronto, ON M5H 3P5

R. Graham Phoenix / Shahrzad Hamraz

Tel: (416) 748 4776 / (416) 748 5116

Fax: (416) 746 8319

Email: gphoenix@LN.law / shamraz@LN.law

Lawyers for Pioneer Balloon Canada Limited

TAB 2

Court File No. 32-3091796
Bankruptcy Estate File No. 32-3091796

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

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

AFFIDAVIT OF MARYLYNN BORONDY
(sworn June 21, 2024)

I, MARYLYNN BORONDY, of the City of Hamilton, in the Province of Ontario, MAKE
OATH AND SAY AS FOLLOWS:

1. I am the Managing Director of Pioneer Balloon Company Limited (“**Pioneer**” or the “**Company**”). The facts set forth herein are within my personal knowledge or determined from the face of the documents attached hereto as exhibits and from information and advice provided to me by third parties. Where I have relied upon such information and advice, I verily believe same to be true.
2. On June 12, 2024, the Company filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). KPMG Inc. (“**KPMG**”) was named proposal trustee (the “**Proposal Trustee**”) in the proposal proceedings (the “**Proposal Proceedings**”). Attached hereto and marked as **Exhibit “A”** is a copy of the certificate of filing from the Superintendent of Bankruptcy.

3. This affidavit is sworn in support of a motion by the Company for an order, among other things:

- (a) extending the time for filing a proposal with the official receiver in each of the Proposal Proceedings by 35 days up to and including August 16, 2024;
- (b) approving the stalking horse sale process (the “**Sale Process**”), including the stalking horse asset purchase agreement between Pioneer and 1488108 B.C. LTD. dated June 20, 2024 (the “**Stalking Horse Agreement**”) ;
- (c) granting a super priority charge (the “**Administration Charge**”) against the Company’s assets, undertakings and properties in an amount not to exceed \$150,000 in favour of the Company’s legal counsel, the Proposal Trustee and the Proposal Trustee’s legal counsel;

THE BUSINESS ENTERPRISE

Overview

4. Pioneer is an Ontario company located in Hamilton, Ontario, operating as a manufacturer and distributor of balloons and accessories.

5. Pioneer’s US-based parent company recently entered into restructuring proceedings under the chapter 11 of title 11 (“**Chapter 11**”) of the United States Code (the “**US Proceedings**”). Pioneer was not an applicant in the US Proceedings. The US Proceedings resulted in an approved sale of the US assets but did not result in any disposition of the Canadian business. Presently, not only has Pioneer lost the support of related US operations but Pioneer is also insolvent, being

indebted to Royal Bank of Canada (“**RBC**”) in the approximate amount of \$2,300,000, on a secured basis, pursuant to the RBC Credit Agreement (defined below).

6. In consultation with the Proposal Trustee and RBC, Pioneer commenced the Proposal Proceedings to stabilize its business and seek approval of the Sale Process that will result in a transparent and Court-supervised sale of Pioneer’s business, administered by the Proposal Trustee, to maximize realizations for its creditors, while continuing the operations of the business and the retention of jobs in Canada.

7. To facilitate the above, Pioneer seeks the approval of the Stalking Horse Agreement and the Sale Process, as well as an extension to the time to file a proposal under the BIA.

Background

8. The Company is incorporated pursuant to the laws of the Province of Ontario, and is headquartered in Hamilton, Ontario. It is a subsidiary of Pioneer National Latex (the “**Parent**”), a US-based, global balloon manufacturer for over 100 years. Attached hereto and marked as **Exhibit “B”** is a copy of the corporate profile of the Company.

9. I have been the Managing Director of the Company (including its predecessors) for 15 years, and have been employed at the Company for 38 years. As such, I am intimately involved with all aspects of Canadian operations.

10. Pioneer is a manufacturer and distributor of balloons and accessories. It operates out of a mixed-use office, warehouse and manufacturing centre in an 86,000 square foot leased facility at 333 Kenora Avenue in Hamilton, Ontario servicing Canada and the global market.

CREDITORS

Secured Creditor

11. RBC is the senior secured lender to Pioneer. Pursuant to a letter agreement dated February 9, 2022, as amended on March 31, 2023 (the “**RBC Credit Agreement**”), RBC established certain credit facilities in favour of the Company, including, among others, a revolving line of credit of up to \$2,200,000 (the “**Line of Credit**”). A copy of the RBC Credit Agreement is attached hereto and marked as **Exhibit “C”**.

12. In connection with the RBC Credit Agreement, the Company re-executed a general security agreement in favour of RBC, dated June 11, 2024. A copy of the general security agreement is attached hereto and marked as **Exhibit “D”**.

13. Additionally, certain other parties¹ have registered security interests against Pioneer. Based on my discussions with legal counsel, I understand that the security held by RBC ranks first in priority over all of the Company’s personal property, other than in respect of validly registered purchase-money security interest (“**PMSI**”) leases in respect of leased and financed equipment and to any priority claims that may exist in law. A copy of the Ontario *Personal Property Security Act* search report certificate in respect of the Company is attached hereto and marked as **Exhibit “E”**

¹ Such parties being the secured parties identified in the *Personal Property Security Act* search report certificate at Exhibit “E”.

Unsecured Creditors

14. As at June 12, 2024, Pioneer is indebted to its unsecured trade creditors in the approximate aggregate amount of \$1,200,000. Attached hereto and marked as **Exhibit “F”** is a copy of the list of creditors of the Company filed in their Proposal Proceedings.

Government Remittances

15. As at the date hereof, Pioneer is current with all government remittances for source deductions.

16. As concerns harmonized sales tax, as at the date hereof, the Company is in default of its payment obligations for April, May and June 2024, totalling \$42,267.97.

EMPLOYEES

17. Pioneer has approximately 125 full-time employees, and occasionally employs seasonal part-time employees. All employees are non-union.

18. The Company administers a deferred profit-sharing plan (“**DPSP**”), but that has been paused. As of today, the Company is behind one month in the employee contribution to the DPSP, in the approximate amount of \$4,753.60.

FINANCIAL CHALLENGES

19. Throughout its years of operation, Pioneer relied heavily on the Parent for operational and business support. Restructuring efforts in the US Proceedings failed to find a purchaser that would continue a relationship with any of the Parent’s international subsidiaries. Without the Parent’s financial support, Pioneer will be unable to continue operations.

20. Moreover, as a result of reduced sales and corresponding adjustment to the borrowing base calculation under the RBC Credit Agreement, Pioneer is offside of the borrowing base covenants. As a result, Pioneer is overdrawn on the Line of Credit by more than \$1,000,000 with no means to issue payments to RBC to bring the Line of Credit into compliance with the covenants. Pioneer has advised RBC it cannot correct this deficiency.

DEMAND

21. As result of the foregoing breach of the borrowing base requirements, on May 30, 2024, RBC made formal demand for repayment in respect of the revolving line of credit, credit cards, and capital improvements loan (the “**Demand**”) and served a Notice of Intention to Enforce Security (the “**NITES**”) pursuant to section 244(1) of the *BIA*. A copy of RBC’s Demand and NITES, delivered on the Company, are attached and marked as **Exhibit “G”** hereto.

22. The Company is unable to issue repayment in response to the Demand and, following discussions with RBC, the Proposal Trustee and counsel, believes that the Proposal Proceedings would be a preferred means by which to preserve and realize value for all stakeholders.

PROPOSAL PROCEEDINGS

23. On June 12, 2024, Pioneer commenced these proceedings under the *BIA* for the purpose of, among other things, creating stability for the Company to regularize business, negotiating and concluding an agreement with a potential stalking horse bidder and to permit the Proposal Trustee to conduct the Sale Process to identify a superior transaction to the proposed Stalking Horse Agreement.

PROPOSED STALKING HORSE PROCESS

24. In consultation with the Proposal Trustee, and subject to the approval of this Court, Pioneer has developed the Sale Process to be administered by the Proposal Trustee and be based around the proposed Stalking Horse Agreement. A copy of the proposed Stalking Horse Agreement is attached hereto and marked as **Exhibit “H”**. A copy of the proposed Sale Process, including the bidding procedures to be used therein, is appended hereto as **Exhibit “I”**.

25. The proposed stalking horse bidder is 1488108 B.C. LTD. (the “**Stalking Horse Bidder**”), a company affiliated with a party that had previously bid on the assets of the Parent in the US Proceedings. Such bid was unsuccessful, but they remained interested in purchasing the Canadian arm of the business.

The Stalking Horse Agreement

26. The Stalking Horse Agreement contemplates the acquisition of all assets and undertakings of Pioneer by the Stalking Horse Bidder. I believe it will promote higher and more favourable offers in the Sale Process.

27. The salient points of the Stalking Horse Agreement are as follows:

- (a) acquisition of all assets of the Company on an “as is, where is” basis;
- (b) a purchase price of \$2,300,000;
- (c) a deposit of \$230,000.
- (d) contemplates potential offers of employment to the majority of existing employees;

- (e) represents the stalking horse offer in what is to be a competitive, transparent Sale Process (*as outlined below*);
- (f) a break fee of \$75,000 and a cost reimbursement of \$25,000 (collectively, the “**Break Fee & Cost Reimbursement**”) if the Stalking Horse Agreement is not selected as the Successful Bid (as defined in the Sale Process); and
- (g) the offer is conditional on final Court approval and the granting of an approval and vesting order.

Sale Process

28. The Sale Process contemplates:

- (i) identification of potentially interested parties (each an “**Interested Party**”) by the Company and the Proposal Trustee;
- (ii) a teaser mailout to each Interested Party regarding the opportunity;
- (iii) a 23-day marketing and due diligence period, during which time each Interested Party that has executed a confidentiality and non-disclosure agreement can access a virtual data room;
- (iv) a bid deadline of 5PM (ET) on July 5, 2024 (the “**Bid Deadline**”) that requires Interested Parties to submit “qualifying” binding offers to the Proposal Trustee, being offers that, *inter alia*:
 - (A) are submitted on a template agreement of purchase and sale, blacklined to the Stalking Horse Agreement;

- (B) for a purchase price equal to the Stalking Horse Bid, plus the Break Fee & Cost Reimbursement and a \$100,000 minimum overbid;
- (C) are accompanied by a deposit equal to no less than 10% of the purchase price;
- (D) are not conditional on financing; and
- (E) are accompanied by evidence, satisfactory to the Proposal Trustee, of the offeror's financial capacity to complete the proposed transaction.

29. Importantly, because of the Company's liquidity issues, with the support of RBC, the Proposal Trustee commenced the above process immediately after filing the NOI by commencing solicitation of Interested Parties. The Company was also speaking to the Stalking Horse Bidder. The initial notice to Interested Parties explained that the Company anticipated returning to Court to approve a sale process and a possible stalking horse bid in connection with the Bid Deadline.

30. The following is a summary of the salient milestones and projected timelines of the Sale Process:

| Milestone | Date |
|---|---|
| Commence solicitation of interest from parties, including delivering NDA and Teaser Letter, and upon execution of NDA (each as defined below) and access to VDR | Solicitation of interest started on June 13, 2024 with the Proposal Trustee, but all interested parties will be provided an update as to this approved stalking horse sale process. |

| Milestone | Date |
|---|--|
| Binding Offer Deadline (as defined below) | By no later than 5:00 p.m. (Eastern Time) on July 10, 2024 |
| Auction, if needed | By no later July 12, 2024 |
| Selection of Successful Bid | By no later than July 12, 2024 |
| Approval Motion (as defined below) | By no later than July 26, 2024 or the earliest date available thereafter |
| Closing of Successful Bid | As soon as possible but no later than July 31, 2024 |

ADMINISTRATION CHARGE

31. In order to protect the fees and expenses of Pioneer's legal counsel, and the Proposal Trustee and counsel for the Proposal Trustee, the Company seeks the Administration Charge ranking in priority to all claims and encumbrances. Such amount is reasonable in the circumstances. The continued services of the professionals are critical to the progress and success of the Proposal Proceedings and the Sale Process. Without the Administration Charge, the foregoing professionals are unlikely to continue in their capacities in support of the Proposal Proceedings.

EXTENSION OF TIME

32. Pioneer asks to extend the deadline to file a proposal to August 16, 2024. Further time is needed to carry out the terms of the proposed Sale Process, which will increase the possibility that the Company may realize on the value of its assets for the benefits of all stakeholders.

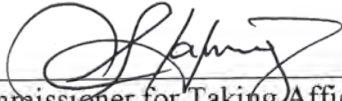
33. Without the extension, the Company will not be in a position to carry out the Sale Process. No creditor will be materially prejudiced if the extension is granted. Such extension is supported by RBC, as senior secured creditor, and the Proposal Trustee.

CONCLUSION

34. The relief sought on the within motion will provide stability to Pioneer's business and enable the Company to pursue the Sale Process for the benefit of all stakeholders. All of the relief sought is supported by the senior secured creditor, RBC, and the Proposal Trustee. The Company is not aware of any creditor or stakeholder who opposes such relief or would be materially prejudiced in the event that such relief is granted.

35. I swear this affidavit in support of the Company's motion as set out above and for no other or improper purpose.

SWORN BEFORE ME via videoconference
this 21 day of June, 2024. The affiant was
located in the City of Hamilton, in the
Province of Ontario and the commissioner was
located in the City of Toronto, in the Province
of Ontario.



Commissioner for Taking Affidavits
(or as may be)

Shahrzad Hamraz



MARYLYNN BORONDY

TAB A

This is Exhibit "A" referred to
in the affidavit of MaryLynn Borondy
subscribed and sworn to before me,
this 21 day of June 2024.

A handwritten signature in black ink, appearing to be "J. H. [unclear]", written over a horizontal line.

A commissioner for taking affidavits.



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 07 - Hamilton
Court No. 32-3091796
Estate No. 32-3091796

In the Matter of the Notice of Intention to make a proposal of:

Pioneer Balloon Canada Limited

Insolvent Person

KPMG INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

June 12, 2024

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL

Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: June 12, 2024, 15:04

E-File/Dépôt Electronique

Official Receiver

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902



TAB B

This is Exhibit "B" referred to
in the affidavit of MaryLynn Borondy
subscribed and sworn to before me,
this 21 day of June 2024.

A handwritten signature in black ink, appearing to read "L. H. Smith", is written over a solid horizontal line.

A commissioner for taking affidavits.



Ministry of Public and
Business Service Delivery

Profile Report

PIONEER BALLOON CANADA LIMITED as of June 10, 2024

| | |
|------------------------------------|--|
| Act | Business Corporations Act |
| Type | Ontario Business Corporation |
| Name | PIONEER BALLOON CANADA LIMITED |
| Ontario Corporation Number (OCN) | 924499 |
| Governing Jurisdiction | Canada - Ontario |
| Status | Active |
| Date of Incorporation/Amalgamation | January 01, 1991 |
| Registered or Head Office Address | 333 Kenora Avenue North, Hamilton, Ontario, L8E 2W3, Canada |

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Director(s)

Minimum Number of Directors

Maximum Number of Directors

[Not Provided]

[Not Provided]

Name

Address for Service

Resident Canadian

Date Began

DOUGLAS CALDWELL

5 Russett Court, Stoney Creek, Ontario, L8E 3Z5, Canada

Yes

June 01, 2010

Name

Address for Service

Resident Canadian

Date Began

TED A. VLAMIS

901 Tara Lane, Wichita, Kansas, 67206, United States

No

January 01, 1991

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Officer(s)**Name****Position****Address for Service****Date Began**

DOUGLAS CALDWELL

Treasurer

5 Russett Court, Stoney Creek, Ontario, L8E 3Z5, Canada

June 01, 2010

Name**Position****Address for Service****Date Began**

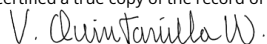
TED J. VLAMIS

President

6 Brookfield Road, Wichita, Kansas, 67206, United States

July 22, 1994

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.



Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Corporate Name History

Name

Effective Date

PIONEER BALLOON CANADA LIMITED

Refer to Corporate Records

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Amalgamating Corporations

Corporation Name

Ontario Corporation Number

PIONEER INTERNATIONAL LIMITED

521156

Corporation Name

Ontario Corporation Number

CONTINENTAL AMERICAN CANADA LTD.

674952

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Expired or Cancelled Business Names**Name**

BALLOONMAN

Business Identification Number (BIN)

141048835

Status

Inactive - Expired

Registration Date

September 14, 2004

Expired Date

September 13, 2009

Name

BALLOON MAN OF CANADA

Business Identification Number (BIN)

141048793

Status

Inactive - Expired

Registration Date

September 14, 2004

Expired Date

September 13, 2009

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Document List

| Filing Name | Effective Date |
|--|--------------------|
| Annual Return - 2022 PAF: DAVID HENDERSON | March 28, 2023 |
| Annual Return - 2021 PAF: DAVID HENDERSON | March 28, 2023 |
| Annual Return - 2020 PAF: DAVID HENDERSON | March 28, 2023 |
| CIA - Notice of Change PAF: DAVID HENDERSON - OTHER | October 07, 2020 |
| Annual Return - 2019 PAF: MARYLYNN BORONDY - OTHER | May 24, 2020 |
| Annual Return - 2018 PAF: MARYLYNN BORONDY - OTHER | November 20, 2019 |
| Annual Return - 2017 PAF: MARYLYNN BORONDY - OTHER | September 07, 2018 |
| Annual Return - 2016 PAF: KARIN KENNEDY - OTHER | July 23, 2017 |
| Annual Return - 2015 PAF: KARIN KENNEDY - OTHER | July 17, 2016 |
| Annual Return - 2014 PAF: KARIN KENNEDY - OTHER | July 18, 2015 |
| Annual Return - 2013 PAF: KARIN KENNEDY - OTHER | July 18, 2014 |
| Annual Return - 2012 PAF: KARIN KENNEDY - OTHER | June 29, 2013 |
| Annual Return - 2011 PAF: KARIN KENNEDY - OTHER | August 14, 2012 |

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

| | |
|--|--------------------|
| CIA - Notice of Change PAF: DOUGLAS CALDWELL - DIRECTOR | July 09, 2010 |
| Annual Return - 2007 PAF: JOHANNES JOUBERT - OTHER | July 02, 2008 |
| CIA - Notice of Change PAF: DOUGLAS WAYNE DREHER - DIRECTOR | October 12, 2007 |
| Annual Return - 2006 PAF: JOHANNES JOUBERT - OTHER | September 11, 2007 |
| Annual Return - 2006 PAF: JOHANNES JOUBERT - OTHER | August 01, 2007 |
| CIA - Notice of Change PAF: JOEL S. SCHACHTER - OTHER | July 12, 2007 |
| Annual Return - 2005 PAF: DOUG DREHER - OTHER | August 29, 2006 |
| Annual Return - 2005 PAF: DOUG DREHER - OTHER | July 18, 2006 |
| Annual Return - 2004 PAF: DOUG DREHER - OTHER | September 08, 2005 |
| Annual Return - 2004 PAF: DOUG DREHER - OTHER | July 05, 2005 |
| Annual Return - 2003 PAF: DOUG DREHER - OTHER | August 05, 2004 |
| Annual Return - 2003 PAF: DOUG DREHER - OTHER | June 21, 2004 |
| Annual Return - 2002 PAF: DOUG DREHER - OTHER | July 31, 2003 |
| Annual Return - 2001 PAF: DOUG DREHER - OTHER | September 26, 2002 |
| Annual Return - 2001 PAF: DOUG DREHER - OTHER | July 25, 2002 |

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

| | |
|--|-------------------|
| Annual Return - 2001 PAF: DOUG DREHER - OTHER | May 23, 2002 |
| CIA - Notice of Change PAF: TED A. VLAMIS - DIRECTOR | December 15, 1997 |
| Other - SPECIAL NOTICE 3 PAF: DOUG DREHER - OFFICER | April 11, 1995 |
| CIA - Notice of Change PAF: DOUGLAS W. DREHER - OFFICER | October 21, 1994 |
| CIA - Notice of Change PAF: DOUG DREHER - OFFICER | April 18, 1994 |
| Other - SPECIAL NOTICE 2 PAF: DOUG DREHER - OFFICER | March 04, 1994 |
| Other - SPECIAL NOTICE PAF: DOUG DREHER - Officer | March 16, 1993 |
| CPCV - Corporate Conversion ADD | June 27, 1992 |

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

TAB C

This is Exhibit C' referred to in
the affidavit of MaryLynn Borondy
subscribed and sworn to before me,
this 21 day of June 2024.

A handwritten signature in black ink, appearing to be 'J. K. [unclear]', written over a horizontal line.

A commissioner for taking affidavits.



Royal Bank of Canada
Commercial Financial Services
Suite 200-21 King St W.
Hamilton, ON L8P 4W7

February 9, 2022

Private and Confidential

PIONEER BALLOON CANADA LTD.
333 Kenora Ave
Hamilton, ON
L8E 2W3

ROYAL BANK OF CANADA (the "**Bank**") hereby confirms the credit facilities described below (the "**Credit Facilities**") subject to the terms and conditions set forth below and in the attached Terms & Conditions and Schedules (collectively the "**Agreement**"). This Agreement amends and restates without novation the existing agreement dated December 16, 2021 and any amendments thereto. Any amount owing by the Borrower to the Bank under such previous agreement is deemed to be a Borrowing under this Agreement. Any and all security that has been delivered to the Bank and is set forth as Security below, shall remain in full force and effect, is expressly reserved by the Bank and, unless expressly indicated otherwise, shall apply in respect of all obligations of the Borrower under the Credit Facilities. Unless otherwise provided, all dollar amounts are in Canadian currency.

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under this Agreement or any other agreement delivered to the Bank, and whether known or unknown, and this Agreement shall not be construed as a waiver of any such breach, default or Event of Default.

BORROWER: Pioneer Balloon Canada Ltd. (the "**Borrower**")

CREDIT FACILITIES

Facility #1: \$2,000,000.00 revolving demand facility by way of:

a) RBP based loans ("**RBP Loans**")

| | | | |
|---------------------------|------------|----------------------------|-------------|
| Revolve in increments of: | \$5,000.00 | Minimum retained balance: | \$0.00 |
| Revolved by: | Bank | Interest rate (per annum): | RBP + 1.00% |

b) RBUSBR based loans in US currency ("**RBUSBR Loans**")

| | | | |
|---------------------------|------------|----------------------------|----------------|
| Revolve in increments of: | \$5,000.00 | Minimum retained balance: | \$0.00 |
| Revolved by: | Bank | Interest rate (per annum): | RBUSBR + 1.00% |

AVAILABILITY

The Borrower may borrow, convert, repay and reborrow up to the amount of this facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice.

Borrowings outstanding under this facility in excess of \$1,000,000.00 must not exceed at any time the aggregate of the following, less Potential Prior-Ranking Claims (the "**Borrowing Limit**"):

[®] Registered Trademark of Royal Bank of Canada

Pioneer Balloon Canada Ltd.

February 9, 2022

- a) 75 % of Good Canadian/US Accounts Receivable;
- b) to a maximum of \$1,000,000.00, 50% of the lesser of cost or net realizable value of Unencumbered Inventory.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, Borrowings under this facility are repayable on demand.

GENERAL ACCOUNT

The Borrower shall establish current accounts with the Bank in each of Canadian currency and US currency (each a "**General Account**") for the conduct of the Borrower's day-to-day banking business. The Borrower authorizes the Bank daily or otherwise as and when determined by the Bank, to ascertain the balance of each General Account and:

- a) if such position is a debit balance the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, make available a Borrowing by way of RBP Loans, or RBUSBR Loans as applicable, under this facility;
- b) if such position is a credit balance, where the facility is indicated to be Bank revolved, the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any Borrowings outstanding by way of RBP Loans, or RBUSBR Loans as applicable, under this facility.

Facility #2: \$5,000.00 revolving demand facility by way of:

- a) Letters of Guarantee ("**LGs**")

Fees to be advised on a transaction-by-transaction basis. Fees and drawings to be charged to Borrower's accounts. Minimum fee of \$100.00.

AVAILABILITY

The Borrower may borrow, repay and reborrow up to the amount of this facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, and regardless of the maturities of any outstanding instruments or contracts, Borrowings under this facility are repayable on demand.

OTHER FACILITIES

The Credit Facilities are in addition to the following facilities (the "**Other Facilities**"). The Other Facilities will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and any such separate agreement, the terms of the separate agreement will govern.

- a) Credit Card to a maximum amount of \$20,000.00;
- b) All Foreign Exchange Forward Contracts outstanding at any time and from time to time.

FEES**One Time Fee:**

Payable upon acceptance of this Agreement or as agreed upon between the Borrower and the Bank.

Monthly Fee:

Payable in arrears on the same day of each month.

Application Fee: \$1,000.00

Facility #1 Management Fee: \$275.00

SECURITY

Security for the Borrowings and all other obligations of the Borrower to the Bank, including, without limitation, any amounts outstanding under any Leases, if applicable, (collectively, the "Security"), shall include:

- a) General security agreement on the Bank's form 924 signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower;
- b) Priority agreement between the Bank, the Borrower and FGI Worldwide LLC;
- c) Letter of comfort signed by Continental American Corporation including the maintaining of ownership, licenses, patents, trade names, technical and financial support.

FINANCIAL COVENANTS

In the event that the Borrower changes accounting standards, accounting principles and/or the application of accounting principles during the term of this Agreement, all financial covenants shall be calculated using the accounting standards and principles applicable at the time this Agreement was entered into.

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of any demand or other discretionary facility the Borrower covenants and agrees with the Bank that the Borrower will:

- a) maintain and to be measured as at the end of each fiscal year:
 - i. Debt Service Coverage not less than 1.25:1;
 - ii. a ratio of Total Liabilities to Tangible Net Worth of not greater than 2.75:1;

REPORTING REQUIREMENTS

The Borrower will provide the following to the Bank:

- a) monthly Borrowing Limit Certificate, substantially in the form of Schedule "F" signed on behalf of the Borrower by any one of the Chief Executive Officer, the President, the Vice-President Finance, the Treasurer, the Comptroller, the Chief Accountant or any other employee of the Borrower holding equivalent office, within 30 days of each month end;
- b) monthly aged list of accounts receivable and aged list of accounts payable, for the Borrower, within 30 days of each month end;
- c) annual financial statement and/or a D&B or banker's report on Continental American Corporation, within 120 days of each fiscal year end;
- d) annual Compliance Certificate, substantially in the form of Schedule "G" signed by an authorized signing officer of the Borrower, within 120 days of each fiscal year end, certifying compliance with this Agreement including the financial covenants set forth in the Agreement;
- e) annual review engagement financial statements for the Borrower, within 120 days of each fiscal year end;
- f) such other financial and operating statements and reports as and when the Bank may reasonably require.

CONDITIONS PRECEDENT

In no event will the Credit Facilities or any part thereof be available unless the Bank has received:

- a) a duly executed copy of this Agreement;
- b) the Security provided for herein, registered, as required, to the satisfaction of the Bank;
- c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require; and
- d) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Additionally:

- e) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank.

BUSINESS LOAN INSURANCE PLAN

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

GOVERNING LAW JURISDICTION

Province of Ontario.


ACCEPTANCE

This Agreement is open for acceptance until March 11, 2022, after which date it will be null and void, unless extended by the Bank in its sole discretion.

Pioneer Balloon Canada Ltd.

February 9, 2022

ROYAL BANK OF CANADA

Per: 

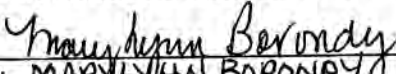
Title: Vice President

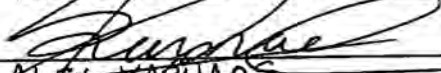
RBC Contact: Kevin Neiser

/sna

We acknowledge and accept the terms and conditions of this Agreement
on this 14 day of FEBRUARY, 2022.

PIONEER BALLOON CANADA LTD.

Per: 
Name: MARY LYNN BORONDY
Title: MANAGING DIRECTOR

Per: 
Name: ALEX KARNAOS
Title: CONTROLLER

I/We have the authority to bind the Borrower

Attachments:

Terms and Conditions

Schedules:

- Definitions
- Calculation and Payment of Interest and Fees
- Additional Borrowing Conditions
- Borrowing Limit Certificate
- Compliance Certificate
- RBC Covarity Dashboard Terms and Conditions

TERMS AND CONDITIONS

The Bank is requested by the Borrower to make the Credit Facilities available to the Borrower in the manner and at the rates and times specified in this Agreement. Terms defined elsewhere in this Agreement and not otherwise defined in the Terms and Conditions below or the Schedules attached hereto have the meaning given to such terms as so defined. In consideration of the Bank making the Credit Facilities available, the Borrower agrees, and if the Borrower is comprised of more than one Person, such Persons jointly and severally agree, or in Quebec solidarily agree, with the Bank as follows:

REPAYMENT

Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in this Agreement and shall be paid in the currency of the Borrowing. Unless the Bank otherwise agrees, any payment hereunder must be made in money which is legal tender at the time of payment. In the case of a demand facility of any kind, the Borrower shall repay all principal sums outstanding under such facility upon demand including, without limitation, an amount equal to the face amount of all LGs and which are unexpired or unexpired, which amount shall be held by the Bank as security for the Borrower's obligations to the Bank in respect of such Borrowings. Where any Borrowings are repayable by scheduled blended payments, such payments shall be applied, firstly, to interest due, and the balance, if any, shall be applied to principal outstanding. If any such payment is insufficient to pay all interest then due, the unpaid balance of such interest will be added to such Borrowing, will bear interest at the same rate, and will be payable on demand or on the date specified herein, as the case may be. Borrowings repayable by way of scheduled payments of principal and interest shall be so repaid with any balance of such Borrowings being due and payable as and when specified in this Agreement. The Borrower shall ensure that the maturities of instruments or contracts selected by the Borrower when making Borrowings will be such so as to enable the Borrower to meet its repayment obligations. For any Borrowings that are repayable by scheduled payments, if the scheduled payment date is changed then the Maturity Date of the applicable Borrowings shall automatically be amended accordingly.

In the case of any reducing term loan and/or reducing term facility ("**Reducing Term Loan/Facility**"), provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Borrower, the Borrower and the Bank agree that, at the Bank's option, the Bank may provide a letter ("**Renewal Letter**") to the Borrower setting out the terms upon which the Bank is prepared to extend the Reducing Term Loan/Facility. In the event that the Bank provides a Renewal Letter to the Borrower and the Reducing Term Loan/Facility is not repaid on or before the Maturity Date of the applicable Reducing Term Loan/Facility, then at the Bank's option the Reducing Term Loan/Facility shall be automatically renewed on the terms set out in the Renewal Letter and the terms of this Agreement shall be amended accordingly.

PREPAYMENT

Where Borrowings are by way of RBP Loans or RBUSBR Loans, the Borrower may prepay such Borrowings in whole or in part without fee or premium.

The prepayment of any Borrowings under a term facility and/or any term loan will be made in the reverse order of maturity.

EVIDENCE OF INDEBTEDNESS

The Bank shall maintain accounts and records (the "**Accounts**") evidencing the Borrowings made available to the Borrower by the Bank under this Agreement. The Bank shall record the principal amount of such Borrowings, the payment of principal and interest on account of the Borrowings, and all other amounts becoming due to the Bank under this Agreement. The Accounts constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement. The Borrower authorizes and directs the Bank to automatically debit, by mechanical, electronic or manual means, any bank account of the Borrower for all amounts payable under this Agreement, including, but not limited to, the

repayment of principal and the payment of interest, fees and all charges for the keeping of such bank accounts.

GENERAL COVENANTS

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower:

- a) will pay all sums of money when due under the terms of this Agreement;
- b) will immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of this Agreement or any Security or an Event of Default;
- c) will file all material tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- d) will give the Bank 30 days prior notice in writing of any intended change in its ownership structure or composition and will not make or facilitate any such changes without the prior written consent of the Bank;
- e) will comply with all Applicable Laws, including, without limitation, all Environmental and Health and Safety Laws;
- f) will immediately advise the Bank of any action requests or violation notices received concerning the Borrower and hold the Bank harmless from and against any losses, costs or expenses which the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrower;
- g) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under Reporting Requirements;
- h) will immediately advise the Bank of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- j) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- k) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;
- l) will not, without the prior written consent of the Bank, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- m) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of combination with any other Person;
- n) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any entity regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank; and
- o) will not use the proceeds of any Credit Facility for the benefit or on behalf of any Person other than the Borrower.

FEES, COSTS AND EXPENSES

The Borrower agrees to pay the Bank all fees stipulated in this Agreement and all fees charged by the Bank relating to the documentation or registration of this Agreement and the Security. In

addition, the Borrower agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, negotiation, documentation and registration of this Agreement and any Security and the administration, operation, termination, enforcement or protection of its rights in connection with this Agreement and the Security. The Borrower shall indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on its Maturity Date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any facility.

GENERAL INDEMNITY

The Borrower hereby agrees to indemnify and hold the Bank and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgements, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such Person as a result of, in connection with or arising out of i) any breach of any term or condition of this Agreement or any Security or any other agreement delivered to the Bank by the Borrower or any Guarantor if applicable, or any Event of Default, ii) the Bank acting upon instructions given or agreements made by electronic transmission of any type, iii) the presence of Contaminants at, on or under or the discharge or likely discharge of Contaminants from, any properties now or previously used by the Borrower or any Guarantor and iv) the breach of or non compliance with any Applicable Law by the Borrower or any Guarantor.

AMENDMENTS AND WAIVERS

Save and except for any waiver or extension of the deadline for acceptance of this Agreement at the Bank's sole discretion, which may be communicated in writing, verbally, or by conduct, no amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Each Guarantor, if applicable, agrees that the amendment or waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein, if any) may be made without and does not require the consent or agreement of, or notice to, any Guarantor. Any amendments requested by the Borrower will require review and agreement by the Bank and its counsel. Costs related to this review will be for the Borrower's account.

SUCCESSORS AND ASSIGNS

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the Bank. The Bank may assign or transfer all or any part of its rights and obligations under this Agreement to any Person. The Bank may disclose to potential or actual assignees or transferees confidential information regarding the Borrower and any Guarantor if applicable, (including, any such information provided by the Borrower, and any Guarantor if applicable, to the Bank) and shall not be liable for any such disclosure.

GAAP

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles, as appropriate, for publicly accountable enterprises, private enterprises, not-for-profit organizations, pension plans and in accordance, as appropriate, with Public Sector Accounting Standards for government organizations in effect from time to time, applied on a consistent basis from period to period. All financial statements and/or reports shall be prepared using one of the above bases of presentation, as appropriate. Except for the transition of accounting standards in Canada, any change in accounting principles or the application of accounting principles is only permitted with the prior written consent of the Bank.

SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and such invalid provision shall be deemed to be severable.

GOVERNING LAW

This Agreement shall be construed in accordance with and governed by the laws of the Province identified in the Governing Law Jurisdiction section of this Agreement and the laws of Canada applicable therein. The Borrower irrevocably submits to the non-exclusive jurisdiction of the courts of such Province and acknowledges the competence of such courts and irrevocably agrees to be bound by a judgment of any such court.

DEFAULT BY LAPSE OF TIME

The mere lapse of time fixed for performing an obligation shall have the effect of putting the Borrower, or a Guarantor if applicable, in default thereof.

SET-OFF

The Bank is authorized (but not obligated), at any time and without notice, to apply any credit balance (whether or not then due) in any account in the name of the Borrower, or to which the Borrower is beneficially entitled (in any currency) at any branch or agency of the Bank in or towards satisfaction of the indebtedness of the Borrower due to the Bank under the Credit Facilities and the other obligations of the Borrower under this Agreement. For that purpose, the Bank is irrevocably authorized to use all or any part of any such credit balance to buy such other currencies as may be necessary to effect such application.

NOTICES

Any notice or demand to be given by the Bank shall be given in writing by way of a letter addressed to the Borrower. If the letter is sent by telecopier, it shall be deemed received on the date of transmission, provided such transmission is sent prior to 5:00 p.m. on a day on which the Borrower's business is open for normal business, and otherwise on the next such day. If the letter is sent by ordinary mail to the address of the Borrower, it shall be deemed received on the date falling five (5) days following the date of the letter, unless the letter is hand-delivered to the Borrower, in which case the letter shall be deemed to be received on the date of delivery. The Borrower must advise the Bank at once about any changes in the Borrower's address.

CONSENT OF DISCLOSURE

The Borrower hereby grants permission to any Person having information in such Person's possession relating to any Potential Prior-Ranking Claim, to release such information to the Bank (upon its written request), solely for the purpose of assisting the Bank to evaluate the financial condition of the Borrower.

NON-MERGER

The provisions of this Agreement shall not merge with any Security provided to the Bank, but shall continue in full force for the benefit of the parties hereto.

JOINT AND SEVERAL

Where more than one Person is liable as Borrower or Guarantor if applicable for any obligation under this Agreement, then the liability of each such Person for such obligation is joint and several (in Quebec, solidarily) with each other such Person.

COUNTERPART EXECUTION

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

ELECTRONIC MAIL AND FAX TRANSMISSION

The Bank is entitled to rely on any agreement, document or instrument provided to the Bank by the Borrower or any Guarantor as applicable, by way of electronic mail or fax transmission as

though it were an original document. The Bank is further entitled to assume that any communication from the Borrower received by electronic mail or fax transmission is a reliable communication from the Borrower.

ELECTRONIC IMAGING

The parties hereto agree that, at any time, the Bank may convert paper records of this Agreement and all other documentation delivered to the Bank (each, a "**Paper Record**") into electronic images (each, an "**Electronic Image**") as part of the Bank's normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Bank that:

- a) if applicable, it is duly constituted, validly existing and duly registered or qualified to carry on business or its operations in all jurisdictions where the nature of its properties, assets, business or operations make such registration or qualification necessary or desirable;
- b) the execution, delivery and performance by it of this Agreement do not violate any Applicable Laws or agreements to which it is subject or by which it is bound, and where applicable, have been duly authorized by all necessary actions and do not violate its constituting documents;
- c) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of this Agreement or any Security or any other agreement delivered to the Bank or an Event of Default;
- d) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against it or any of its assets or properties before any court or administrative agency which relates to any non-compliance with any Environmental and Health and Safety Laws which, if adversely determined, might have a material adverse effect upon its financial condition or operations or its ability to perform its obligations under this Agreement or any Security, and there are no circumstances of which it is aware which might give rise to any such proceeding which it has not fully disclosed to the Bank; and
- e) it has good and marketable title to all of its properties and assets, free and clear of any encumbrances, other than as may be provided for herein.

Representations and warranties are deemed to be repeated as at the time of each Borrowing and/or the entering into each Lease, if applicable, hereunder.

LANGUAGE

The parties hereto have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. Les parties ont expressément demandé que la présente convention et tous les documents y afférents, y compris les avis, soient rédigés en langue anglaise.

WHOLE AGREEMENT

This Agreement and any documents or instruments referred to in, or delivered pursuant to, or in connection with, this Agreement constitute the whole and entire agreement between the Borrower and the Bank with respect to the Credit Facilities.

EXCHANGE RATE FLUCTUATIONS

If, for any reason, the amount of Borrowings and/or Leases, if applicable, outstanding under any facility in a currency other than Canadian currency, when converted to the Equivalent Amount in Canadian currency, exceeds the amount available under such facility, the Borrower shall immediately repay such excess or shall secure such excess to the satisfaction of the Bank.

JUDGEMENT CURRENCY

If for the purpose of obtaining judgement in any court in any jurisdiction with respect to this Agreement, it is necessary to convert into the currency of such jurisdiction (the "**Judgement Currency**") any amount due hereunder in any currency other than the Judgement Currency, then

conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgement is given. For this purpose "rate of exchange" means the rate at which the Bank would, on the relevant date, be prepared to sell a similar amount of such currency in the Toronto foreign exchange market, against the Judgement Currency, in accordance with normal banking procedures.

In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which judgement is given and the date of payment of the amount due, the Borrower will, on the date of payment, pay such additional amounts as may be necessary to ensure that the amount paid on such date is the amount in the Judgement Currency which, when converted at the rate of exchange prevailing on the date of payment, is the amount then due under this Agreement in such other currency together with interest at RBP and expenses (including legal fees on a solicitor and client basis). Any additional amount due from the Borrower under this section will be due as a separate debt and shall not be affected by judgement being obtained for any other sums due under or in respect of this Agreement.

EVENTS OF DEFAULT

Without affecting or limiting the right of the Bank to terminate or demand payment of, or to cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, each of the following shall constitute an "Event of Default" which shall entitle the Bank, in its sole discretion, to cancel any Credit Facilities, demand immediate repayment in full of any amounts outstanding under any term facility, together with outstanding accrued interest and any other indebtedness under or with respect to any term facility, and to realize on all or any portion of any Security:

- a) failure of the Borrower to pay any principal, interest or other amount when due pursuant to this Agreement;
- b) failure of the Borrower, or any Guarantor if applicable, to observe any covenant, term or condition contained in this Agreement, the Security, or any other agreement delivered to the Bank or in any documentation relating hereto or thereto;
- c) the Borrower, or any Guarantor if applicable, is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;
- d) if any proceeding is taken to effect a compromise or arrangement with the creditors of the Borrower, or any Guarantor if applicable, or to have the Borrower, or any Guarantor if applicable, declared bankrupt or wound up, or to have a receiver appointed for any part of the assets or operations of the Borrower, or any Guarantor if applicable, or if any encumbrancer takes possession of any part thereof;
- e) if in the opinion of the Bank there is a material adverse change in the financial condition, ownership or operation of the Borrower, or any Guarantor if applicable;
- f) if any representation or warranty made by the Borrower, or any Guarantor if applicable, under this Agreement or in any other document relating hereto or under any Security shall be false in any material respect; or
- g) if the Borrower, or any Guarantor if applicable, defaults in the payment of any other indebtedness, whether owing to the Bank or to any other Person, or defaults in the performance or observance of any agreement in respect of such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated.

Should the Bank demand immediate repayment in full of any amounts outstanding under any term facility due to an Event of Default, the Borrower shall immediately repay all principal sums outstanding under such facility and all other obligations in connection with any such term facility.

INCREASED COSTS

If any change in Applicable Laws or the interpretation thereof after the date hereof (i) imposes or increases taxes on payments due to the Bank hereunder (other than taxes on the overall net income of the Bank), (ii) imposes or increases any reserve or other similar requirement or (iii) imposes or changes any other condition affecting the Credit Facilities, and the result of any of the foregoing results in any additional cost to the Bank of making available, continuing or maintaining any of the Credit Facilities hereunder (or maintaining any obligations to make any such Credit Facilities available hereunder) or results in any reduction in the amount of any sum

received or receivable by the Bank in connection with this Agreement or the Credit Facilities made available hereunder, then from time to time, upon written request of the Bank, the Borrower shall promptly pay to the Bank, such additional amount or amounts as will compensate the Bank for any such additional costs incurred or reduction suffered.

CONFIDENTIALITY

This Agreement and all of its terms are confidential ("**Confidential Information**"). The Borrower shall keep the Confidential Information confidential and will not disclose the Confidential Information, or any part thereof, to any Person other than the Borrower's directors, officers, employees, agents, advisors, contractors, consultants and other representatives of the Borrower who need to know the Confidential Information for the purpose of this Agreement, who shall be informed of the confidential nature of the Confidential Information and who agree or are otherwise bound to treat the Confidential Information consistent with the terms of this Agreement. Without limiting the generality of the foregoing, the Borrower shall not issue any press release or make any other public announcement or filing with respect to the Confidential Information without the Bank's prior written consent.

Schedule "A"

DEFINITIONS

For the purpose of this Agreement, if applicable, the following terms and phrases shall have the following meanings:

"Applicable Laws" means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, policies, guidelines, rulings, interpretations, directives (whether or not having the force of law), orders, codes, treaties, conventions, judgements, awards, determinations and decrees of any governmental, quasi-governmental, regulatory, fiscal or monetary body or agency or court of competent jurisdiction in any applicable jurisdiction;

"Borrowing" means each use of a Credit Facility, excluding Leases, and all such usages outstanding at any time are **"Borrowings"**;

"Business Day" means a day, excluding Saturday, Sunday and any other day which shall be a legal holiday or a day on which banking institutions are closed throughout Canada;

"Business Loan Insurance Plan" means the optional group creditor insurance coverage, underwritten by Sun Life Assurance Company of Canada, and offered in connection with eligible loan products offered by the Bank;

"Canadian/US Accounts Receivable" means trade accounts receivable of the Borrower owing by Persons whose chief operating activities are located in the US or Canada;

"Cash Taxes" means, for any fiscal period, any amounts paid in respect of income taxes;

"Contaminant" includes, without limitation, any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental and Health and Safety Law;

"Corporate Distributions" means any payments to any shareholder, director or officer, or to any associate or holder of subordinated debt, or to any shareholder, director or officer of any associate or holder of subordinated debt, including, without limitation, bonuses, dividends, interest, salaries or repayment of debt or making of loans to any such Person, but excluding salaries to officers or other employees in the ordinary course of business;

"Debt Service Coverage" means, for any fiscal period, the ratio of EBITDA, less Cash Taxes and, to the extent not deducted in determining net income, less Corporate Distributions, to the total of Interest Expense and scheduled principal payments in respect of Funded Debt;

"EBITDA" means, for any fiscal period, net income from continuing operations (excluding extraordinary gains or losses) plus, to the extent deducted in determining net income, Interest Expense and income taxes accrued during, and depreciation, depletion and amortization expenses deducted for, the period;

"Environmental Activity" means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater;

"Environmental and Health and Safety Laws" means all Applicable Laws relating to the environment or occupational health and safety, or any Environmental Activity;

"Equity" means the total of share capital, (excluding preferred shares redeemable within one year) contributed surplus and retained earnings plus Postponed Debt;

"Equivalent Amount" means, with respect to an amount of any currency, the amount of any other currency required to purchase that amount of the first mentioned currency through the Bank in Toronto, in accordance with normal banking procedures;

"Funded Debt" means, at any time for the fiscal period then ended, all obligations for borrowed money which bears interest or to which interest is imputed plus, without duplication, all obligations for the deferred payment of the purchase of property, all capital lease obligations and all indebtedness secured by purchase money security interests, but excluding Postponed Debt;

"Good Canadian/US Accounts Receivable" means Canadian/US Accounts Receivable excluding (i) the entire amount of accounts, any portion of which is outstanding more than 90 days after billing date, provided that the under 90 day portion may be included where the over 90 day portion is less than 10% of the amount of accounts, or where the Bank has designated such portion as nevertheless good, (ii) all amounts due from any affiliate, (iii) bad or doubtful accounts, (iv) accounts subject to any security interest or other encumbrance ranking or capable of ranking in priority to the Bank's security, (v) the amount of all holdbacks, contra accounts or rights of set-off on the part of any account debtor, (vi) those trade accounts receivable included elsewhere in the Borrowing Limit calculation, or (vii) any accounts which the Bank has previously advised to be ineligible;

"Guarantor" means any Person who has guaranteed the obligations of the Borrower under this Agreement;

"Interest Expense" means, for any fiscal period, the aggregate cost of advances of credit outstanding during that period including, without limitation, interest charges, capitalized interest, the interest component of capital leases, fees payable in respect of letters of credit and letters of guarantee and discounts incurred and fees payable in respect of bankers' acceptances;

"Lease" means an advance of credit by the Bank to the Borrower by way of a Master Lease Agreement, Master Leasing Agreement, Leasing Schedule, Equipment Lease, Conditional Sales Contract, or pursuant to an Interim Funding Agreement or an Agency Agreement, in each case issued to the Borrower;

"Letter of Guarantee" or "LG" means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of providing security to a third party that the Borrower or a person designated by the Borrower will perform a contractual obligation owed to such third party;

"Maturity Date" means the date on which a facility is due and payable in full;

"Permitted Encumbrances" means, in respect of the Borrower:

- a) liens arising by operation of law for amounts not yet due or delinquent, minor encumbrances on real property such as easements and rights of way which do not materially detract from the value of such property, and security given to municipalities and similar public authorities when required by such authorities in connection with the operations of the Borrower in the ordinary course of business; and
- b) Security granted in favour of the Bank;

"Person" includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof, and any other incorporated or unincorporated entity;

"Policy" means the Business Loan Insurance Plan policy 5100, issued by Sun Life Assurance Company of Canada to the Bank;

"Postponed Debt" means indebtedness that is fully postponed and subordinated, both as to principal and interest, on terms satisfactory to the Bank, to the obligations owing to the Bank hereunder;

"Potential Prior-Ranking Claims" means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Security or otherwise in priority to any claim by the Bank for repayment of any amounts owing under this Agreement;

"RBP" and "Royal Bank Prime" each means the annual rate of interest announced by the Bank from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada;

"RBUSBR" and "Royal Bank US Base Rate" each means the annual rate of interest announced by the Bank from time to time as a reference rate then in effect for determining interest rates on commercial loans made in US currency in Canada;

"Release" includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning;

"Tangible Net Worth" means the total of Equity less intangibles, deferred charges, leasehold improvements, deferred tax credits and unsecured advances to related parties. For the purpose hereof, intangibles are assets lacking physical substance;

"Total Liabilities" means all liabilities, exclusive of deferred tax liabilities and Postponed Debt;

"Unencumbered Inventory" means inventory of the Borrower which is not subject to any security interest or other encumbrance or any other right or claim which ranks or is capable of ranking in priority to the Bank's security including, without limitation, rights of unpaid suppliers to repossess inventory within 30 days after delivery and rights of unpaid farmers, fishermen and aquaculturalists in respect of any unpaid amounts for products sold and delivered within the previous 15 days, under the *Bankruptcy and Insolvency Act, Canada*;

"US" means United States of America.

Schedule "B"**CALCULATION AND PAYMENT OF INTEREST AND FEES****LIMIT ON INTEREST**

The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by Applicable Law. In no event shall the effective interest rate payable by the Borrower under any facility be less than zero.

OVERDUE PAYMENTS

Any amount that is not paid when due hereunder shall, unless interest is otherwise payable in respect thereof in accordance with the terms of this Agreement or the instrument or contract governing same, bear interest until paid at the rate of RBP plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5% , or, in the case of an amount in US currency if applicable, RBUSBR plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5%. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity date, demand and judgement.

EQUIVALENT YEARLY RATES

The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

TIME AND PLACE OF PAYMENT

Amounts payable by the Borrower hereunder shall be paid at such place as the Bank may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this Agreement are payable both before and after any or all of default, maturity date, demand and judgement.

RBP LOANS AND RBUSBR LOANS

The Borrower shall pay interest on each RBP Loan and RBUSBR Loan, monthly in arrears, on the 26th day of each month or such other day as may be agreed to between the Borrower and the Bank. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days and shall be paid in the currency of the applicable Borrowing.

LETTER OF GUARANTEE FEES

The Borrower shall pay LG fees in advance on a quarterly basis calculated on the face amount of the LG issued and based on the number of days in the upcoming quarter or remaining term thereof and a year of 365 days. LG fees are non-refundable.

Schedule "D"

ADDITIONAL BORROWING CONDITIONS

LGs:

Borrowings made by way of LGs will be subject to the following terms and conditions:

- a) each LG shall expire on a Business Day and shall have a term of not more than 365 days;
- b) at least 2 Business Days prior to the issue of an LG, the Borrower shall execute a duly authorized application with respect to such LG and each LG shall be governed by the terms and conditions of the relevant application for such contract;
- c) an LG may not be revoked prior to its expiry date unless the consent of the beneficiary of the LG has been obtained;
- d) any LG issued under a term facility must have an expiry date on or before the Maturity Date of the term facility, unless otherwise agreed by the Bank; and
- e) if there is any inconsistency at any time between the terms of this Agreement and the terms of the application for LG, the terms of the application for LG shall govern.

FEF Contracts:

"Foreign Exchange Forward Contract" or "FEF Contract" means a currency exchange transaction or agreement or any option with respect to any such transaction now existing or hereafter entered into between the Borrower and the Bank;

At the Borrower's request, the Bank may agree to enter into FEF Contracts with the Borrower from time to time. The Borrower acknowledges that the Bank makes no formal commitment herein to enter into any FEF Contract and the Bank may, at any time and at all times, in its sole and absolute discretion, accept or reject any request by the Borrower to enter into a FEF Contract. If the Bank does enter into a FEF Contract with the Borrower, it will do so subject to the following:

- a) the Borrower shall promptly issue or countersign and return a confirmation or acknowledgement of the terms of each such FEF Contract as required by the Bank;
- b) the Borrower shall, if required by the Bank, promptly enter into a Foreign Exchange and Options Master Agreement or such other agreement in form and substance satisfactory to the Bank to govern the FEF Contract(s);
- c) in the event of demand for payment under the Agreement of which this schedule forms a part, the Bank may terminate all or any FEF Contracts. If the agreement governing any FEF Contract does not contain provisions governing termination, any such termination shall be effected in accordance with customary market practice. The Bank's determination of amounts owing under any terminated FEF Contract shall be conclusive in the absence of manifest error. The Bank shall apply any amount owing by the Bank to the Borrower on termination of any FEF Contract against the Borrower's obligations to the Bank under the Agreement and any amount owing to the Bank by the Borrower on such termination shall be added to the Borrower's obligations to the Bank under the Agreement and secured by the Security;
- d) the Borrower shall pay all required fees in connection with any FEF Contracts and indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank in relation to any FEF Contract;
- e) any rights of the Bank herein in respect of any FEF Contract are in addition to and not in limitation of or substitution for any rights of the Bank under any agreement governing such FEF Contract.

Schedule D

the event that there is any inconsistency at any time between the terms hereof and any agreement governing such FEF Contract, the terms of such agreement shall prevail;

- f) in addition to any security which may be held at any time in respect of any FEF Contract, upon request by the Bank from time to time, the Borrower will deliver to the Bank such security as is acceptable to the Bank as continuing collateral security for the Borrower's obligations to the Bank in respect of FEF Contracts; and
- g) the Borrower will enter each FEF Contract as principal, and only for purposes of hedging currency risk arising in the ordinary course of the Borrower's business and not for purposes of speculation. The Borrower understands and hereby acknowledges the risks associated with each FEF Contract.

Schedule "F"

BORROWING LIMIT CERTIFICATE

I, _____, representing the Borrower hereby certify as of month
end _____:

1. I am familiar with and have examined the provisions of the Agreement dated February 9, 2022 and any amendments thereto, between Pioneer Balloon Canada Ltd., as Borrower, and Royal Bank of Canada, as the Bank and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower. Terms defined in the Agreement have the same meanings where used in this certificate.

2. The Borrowing Limit is \$ _____, calculated as follows:

| | | |
|---|----------|------------|
| Total Canadian/US Accounts Receivable | | \$ _____ |
| Less: | | |
| a) Accounts, any portion of which exceeds 90 days | \$ _____ | |
| b) Accounts due from affiliates | \$ _____ | |
| c) "Under 90 days" accounts where collection is suspect | \$ _____ | |
| d) Accounts subject to prior encumbrances | \$ _____ | |
| e) Holdbacks, contra-accounts or rights of set-off | \$ _____ | |
| f) Accounts included elsewhere in the Borrowing Limit calculation | \$ _____ | |
| Plus: | | |
| g) Other ineligible accounts | \$ _____ | |
| h) Under 90 day portion of accounts included in a) above, where the over 90 day portion is less than 10% of the amount of accounts, or which the Bank has designated as nevertheless good | \$ _____ | |
| Good Canadian/US Accounts Receivable | | A \$ _____ |
| Marginable Good Canadian/US Accounts Receivable at 75% of A | | B \$ _____ |
| Total inventory (valued at lesser of cost or net realizable value) | | \$ _____ |
| Less: | | |
| a) Inventory subject to prior encumbrances | \$ _____ | |
| b) Inventory subject to 30 day supplier payables | \$ _____ | |
| c) Other non qualifying inventory | \$ _____ | |
| Unencumbered Inventory | | C \$ _____ |
| Marginable Unencumbered Inventory at 50% of C (Max \$1,000,000.00) | | D \$ _____ |
| Less: Potential Prior-Ranking Claims while not limited to these include: | | |
| Sales tax, Excise & GST | \$ _____ | |
| Employee source deductions such as E.I., CPP, Income Tax | \$ _____ | |
| Workers Compensation Board | \$ _____ | |
| Wages, Commissions, Vacation Pay | \$ _____ | |
| Unpaid Pension Plan Contributions | \$ _____ | |
| Overdue Rent, Property & Business Tax and potential claims from third parties such as subcontractors | \$ _____ | |
| Other | \$ _____ | |
| Total Potential Prior-Ranking Claims | | E \$ _____ |
| Borrowing Limit (B+D-E) | | \$ _____ |
| Less: Facility #1 Borrowings in excess of \$1,000,000.00 | | \$ _____ |
| Margin Surplus (Deficit) | | \$ _____ |

Schedule F

3. The reports (if required as per the Reporting Requirements section of the Agreement) and information provided herewith are accurate and complete in all respects and all amounts certified as Potential Prior-Ranking Claims are current amounts owing and not in arrears.

Dated this _____ day of _____, 20____

Per: _____

Name: _____

Title: _____

Schedule "G"

COMPLIANCE CERTIFICATE

I, _____, representing the Borrower hereby certify as of fiscal year end _____:

1. I am familiar with and have examined the provisions of the Agreement dated February 9, 2022 and any amendments thereto, between Pioneer Balloon Canada Ltd., as Borrower, and Royal Bank of Canada as the Bank, and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower and any Guarantor if applicable. Terms defined in the Agreement have the same meanings where used in this certificate.
2. The representations and warranties contained in the Agreement are true and correct.
3. No event or circumstance has occurred which constitutes or which, with the giving of notice, lapse of time, or both, would constitute a breach of any covenant or other term or condition of this Agreement or an Event of Default and there is no reason to believe that during the next fiscal year of the Borrower, any such event or circumstance will occur.
4. The ratio of Total Liabilities to Tangible Net Worth is _____:1, being not less than the minimum required ratio of 2.75:1.
5. The ratio of Debt Service Coverage is _____:1, being not greater than the maximum permitted ratio of 1.25:1.
6. The detailed calculations of the foregoing ratios and covenants is set forth in the addendum annexed hereto and are true and correct in all respects.

Dated this _____ day of _____, 20____.

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

Schedule "H"

RBC COVARIETY DASHBOARD TERMS AND CONDITIONS

If the Borrower elects to fulfill the reporting requirements relating to the submission of financial information set out in this Agreement by accessing a secure web based portal ("**RBC Covarity Dashboard**") via the Internet and using RBC Covarity Dashboard to electronically upload the Borrower's financial information and to complete online and electronically submit certificates, reports and/or forms (the "**Service**"), then the following terms and conditions (the "**RBC Covarity Dashboard Terms and Conditions**") apply and are deemed to be included in, and form part of, the Agreement.

1. Definitions. For the purpose of the RBC Covarity Dashboard Terms and Conditions:

"Disabling Code" means any clock, timer, counter, computer virus, worm, software lock, drop dead device, Trojan horse routine, trap door, time bomb, or any other unauthorized codes, designs, routines or instructions that may be used to access, modify, replicate, distort, delete, damage or disable any Electronic Channel, including any related hardware or software.

"Designated User" an individual permitted to act on behalf of and bind the Borrower in all respects, and specifically in the submission of Electronically Uploaded Financial Information and/or Electronically Submitted Certificates.

"Electronic Channel" means any telecommunication or electronic transmission method which may be used in connection with the Service, including computer, Internet, telephone, e-mail or facsimile.

"Electronic Communication" means any information, disclosure, request or other communication or agreement sent, received or accepted using an Electronic Channel.

"Electronically Submitted Certificates" means certificates, reports and/or forms completed online and electronically submitted by any Designated User accessing the Service.

"Electronically Uploaded Financial Information" means financial data, reports and/or information of the Borrower electronically uploaded by any Designated User accessing the Service.

"Internet" means a decentralized global communications medium and the world-wide network of computer networks, accessible to the public, that are connected to each other using specific protocols, which provides for file transfer, electronic mail, remote log in, news, database access, and other services.

"Password" means a combination of numbers and/or letters selected by a Designated User that is used to identify the Designated User. The Password is used in conjunction with a User ID to access the Service.

"Security Breach" means any breach in the security of the Service, or any actual or threatened use of the Service, a Security Device, or Electronic Channel in a manner contrary to the Agreement, including, without limitation, the introduction of Disabling Code or a Virus to the Service.

"Security Device" means a combination of a User ID and Password.

"Software" means any computer program or programming (in any code format, including source code), as modified from time to time, and related documentation.

"User ID" means the combination of numbers and/or letters selected by the Borrower used to identify a particular Designated User. The User ID is used in conjunction with a Password to access the Service.

"Virus" means an element which is designed to corrupt data or enable access to or adversely impact upon the performance of computer systems, including any virus, worm, logic bomb and Trojan horse.

Terms defined in the Agreement have the same meanings where used in the RBC Covarity Dashboard Terms and Conditions.

2. Access to the Service. The Borrower will appoint one or more Designated User(s) to access the Service on behalf of the Borrower. The Borrower acknowledges and agrees that each Designated User appointed by the Borrower may electronically upload the Borrower's financial information and may view all previously uploaded financial information and all calculations in the RBC Covarity Dashboard.

At the time of registration for the Service, the Borrower will advise the Bank of the name and e-mail address of each Designated User. The Borrower will immediately advise the Bank if a Designated User changes or is no longer valid.

The Bank will provide the Borrower with a User ID and temporary password for each Designated User. Each Designated User will receive the User ID and temporary password delivered to their e-mail address. Each Designated User will change the temporary password to a unique Password which may not be easily guessed or obtained by others. If it is suspected or known that the Password has been compromised in any way, the Password must be changed immediately.

On first access to the Service, each Designated User will be required to read and agree to terms of use which will thereafter be accessible from a link located on each web page of the Service.

3. Security Devices. The Borrower recognizes that possession of a Security Device by any person may result in that person having access to the Service. The Borrower agrees that the use of a Security Device in connection with the Service, including any information sent, received or accepted using the Service, will be deemed to be conclusive proof that such information is accurate and complete, and the submission of which is authorized by, and enforceable against, the Borrower.

The Borrower is responsible for maintaining the security and confidentiality of Security Devices which may be used in connection with the Service. The Borrower is responsible for ensuring that a Security Device will only be provided to and used by a Designated User. The Borrower agrees to be bound by any actions or omissions resulting from the use of any Security Device in connection with the Service.

4. Security. Each party shall at all times have in place appropriate policies and procedures to protect the security and confidentiality of the Service, Electronic Channels and Electronic Communication and to prevent any unauthorized access to and use of the Service and Electronic Channels. The Borrower agrees to comply with any additional procedures, standards or other security requirements that the Bank may require in order to access the Service.

The Borrower will not (i) access or use the Service for an illegal, fraudulent, malicious or defamatory purpose, or (ii) take steps or actions that could or do undermine the security, integrity, effectiveness, goodwill or connectivity of the Service (including illegal, fraudulent, malicious, defamatory or other activities that threaten to harm or cause harm to any other person).

The Borrower agrees not to transmit via the Service any viruses, worms, defects, Trojan horses or any items of a destructive nature. The Borrower shall maintain the security of their computer by using anti-virus scanning, a firewall and installing the latest security patches to provide assurance that no Virus is introduced into the systems or Software while accessing the Service.

5. Unsecure Electronic Channels. The Borrower acknowledges and agrees that if it uses, or if it authorizes and directs the Bank to use, any unencrypted Electronic Channel, including unencrypted e-mail or facsimile, any Electronic Communication sent, received and/or accepted using such Electronic Channel is not secure, reliable, private or confidential. Any such Electronic Communication could be subject to interception, loss or alteration, and may not be received by the intended recipient in a timely manner or at all. The Borrower assumes full responsibility for the risks associated with such Electronic Communication.

6. Notice of Security Breach. The Borrower shall notify the Bank by notifying the RBC Account Manager in writing immediately of any Security Breach including: (i) any application vulnerability or if a Virus is contained in or affects transmission of information to the Service; or (ii) if the Borrower knows or reasonably ought to know that an unauthorized person may have access to the Service, Security Device or Electronic Channel.

If a Security Breach occurs the Borrower shall: (i) assist the Bank in the management of any consequences arising from it; (ii) take any reasonable steps necessary for it to take to mitigate any harm resulting from it; and (iii) take appropriate steps to prevent its recurrence.

7. Binding Effect. Any Electronic Communication that the Bank receives from or in the name of, or purporting to be from or in the name of, the Borrower or any other person on the Borrower's behalf in connection with the Service, will be considered to be duly authorized by, and enforceable against, the Borrower. The Bank will be authorized to rely and act on any such Electronic Communication, even if the Electronic Communication was not actually from the Borrower or such other person or differs in any way from any previous Electronic Communication sent to the Bank. Any Electronically Uploaded Financial Information will be considered to be financial information submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects, and the Bank will be authorized to rely and act on any such Electronically Uploaded Financial Information accordingly. Any Electronically Submitted Certificates will be considered to be certificates, reports and/or forms completed and submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects, and the Bank will be authorized to rely and act on any such Electronically Submitted Certificates accordingly.

8. Representations and Warranties. The Borrower represents and warrants to the Bank that each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted: (i) all financial statements, certificates, forms, reports and all information contained therein will be accurate and complete in all respects; (ii) all amounts certified as Potential Prior-Ranking Claims will be current amounts owing and not in arrears; (iii) all representations and warranties contained in the Agreement will be true and correct; and (iv) no event will have occurred which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default or breach of any covenant or other term or condition of the Agreement. The Borrower will be deemed to repeat these representations and warranties each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted.

9. Evidence. Electronic records and other information obtained by the Bank in an Electronic Communication will be admissible in any legal, administrative or other proceedings as conclusive evidence of the contents of those communications in the same manner as an original paper document, and the Borrower waives any right to object to the introduction of any such record or other information into evidence on that basis.

10. Limitation of Liability. The Bank is not responsible or liable for any damages arising from: (i) inaccurate, incomplete, false, misleading, or fraudulent information provided to the Bank; (ii) losses incurred as a result of an actual or potential Security Breach; or (iii) losses incurred as a result of application vulnerability or Virus that is contained in or affects any Software or systems used by or on behalf of the Borrower in connection with the Service.

Although every effort is made to provide secure transmission of information, timely communication and confidentiality cannot be guaranteed. In no event shall the Bank be liable for

any loss or harm resulting from the use of the Service, or from a breach of confidentiality in respect of use of the Service.

11. Termination. The ability of the Borrower to fulfill the reporting requirements relating to the submission of financial information set out in the Agreement using RBC Covarity Dashboard shall terminate upon revocation of access to the Service. In addition, the Bank may suspend or terminate access to or discontinue the Service immediately for any reason at any time without prior notice. The Bank will not be responsible for any loss or inconvenience that may result from such suspension or termination. The Borrower, upon giving notice to the Bank by notifying the RBC Account Manager in writing, may terminate use of the Service at any time.

12. Amendment. The Bank may amend these RBC Covarity Dashboard Terms and Conditions upon 30 days notice (which may be given electronically by way of e-mail or in writing) to the Borrower. The Borrower agrees that the continued use of the Service after the effective date of a change will constitute conclusive evidence of consent to all such amendments and the Borrower shall be bound by the amendments.



Royal Bank of Canada
 Commercial Financial Services
 21 King St W, Suite 200
 Hamilton, ON
 L8P 4W7

March 31, 2023

Private and Confidential

PIONEER BALLOON CANADA LIMITED

333 Kenora Ave North
 Hamilton, ON
 L8E 2W3

We refer to the agreement dated February 9, 2022 and any amendments thereto, between Pioneer Balloon Canada Limited, as the Borrower, and Royal Bank of Canada, as the Bank, (the "**Agreement**"). Due to a typographical error, the Borrower name in the Agreement dated February 9, 2022 was incorrectly documented as "Pioneer Balloon Canada Ltd." in error and should have been documented as "Pioneer Balloon Canada Limited". The Borrower and the Bank agree that the Borrower name and all references to the Borrower's name should read Pioneer Balloon Canada Limited.

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under any Bank document, and whether known or unknown, and this amending agreement shall not be construed as a waiver of any such breach, default or Events of Default.

All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

The Agreement is amended as follows:

1. Under the Credit Facilities section, the Availability section for Facility #1 is amended and restated as follows:

AVAILABILITY

The Borrower may borrow, convert, repay and reborrow up to the amount of this facility, provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice.

In the event the aggregate Borrowings outstanding under this facility exceed \$1,000,000.00, the aggregate Borrowings outstanding under this facility must not exceed at any time the aggregate of the following, less Potential Prior-Ranking Claims (the "**Borrowing Limit**"):

- a) 75% of Good Canadian/US Accounts Receivable;
- b) 50% of the lesser of cost or net realizable value of Unencumbered Inventory.

[®] Registered Trademark of Royal Bank of Canada

2. A section entitled The Conditions Precedent Facility #1 is added as follows and is inserted immediately following the Conditions Precedent section:

CONDITIONS PRECEDENT FACILITY #1

In addition to the conditions set forth in the Conditions Precedent section above, in the event the aggregate Borrowings outstanding under Facility #1, after giving effect to the requested Borrowing, would exceed \$1,000,000.00, the availability of such Borrowing is conditional upon the receipt of the following prior to each and every Borrowing:

- a) Borrowing Limit Certificate, substantially in the form of Schedule "F", signed on behalf of the Borrower by any one of the Chief Executive Officer, the Vice-President Finance, the President, the Treasurer, the Comptroller, the Chief Accountant or any other employee of the Borrower holding equivalent office, unless one has been provided within the immediately preceding 30 days pursuant to this section or the Reporting Requirements section of this Agreement;
 - b) aged list of accounts receivable and aged list of accounts payable, for the Borrower, unless these have been provided within the immediately preceding 30 days pursuant to this section or the Reporting Requirements section of this Agreement.
3. Under the Reporting Requirements section of the Agreement, paragraph a) is amended and restated as follows:
 - a) in the event the aggregate Borrowings outstanding under Facility #1 exceed \$1,000,000.00 as at the end of any month, a Borrowing Limit Certificate, substantially in the form of Schedule "F", signed on behalf of the Borrower by any one of the Chief Executive Officer, the President, the Vice-President Finance, the Treasurer, the Comptroller, the Chief Accountant or any other employee of the Borrower holding equivalent office, within 30 days of such month end, unless one has been provided within the immediately preceding 30 days pursuant to the Conditions Precedent Facility #1 section of this Agreement.
 4. Under the Reporting Requirements section of the Agreement, paragraph b) is amended and restated as follows:
 - b) in the event the aggregate Borrowings outstanding under Facility #1 exceed \$1,000,000.00 as at the end of any month aged list of accounts receivable and aged list of accounts payable, for the Borrower, within 30 days of such month end, unless these have been provided within the immediately preceding 30 days pursuant to the Conditions Precedent Facility #1 section of this Agreement.
 5. Schedule "F" – Borrowing Limit Certificate is replaced with the Schedule "F" attached to this amending agreement.

ANNUAL REVIEW FEE

A non-refundable annual review fee of \$1,200 is payable by the Borrower when the amendments set out in this letter become effective.

ACCEPTANCE

The Borrower and the Bank waive any requirement for the amendments set out above to be signed by the Borrower. The Borrower is deemed to agree to the amendments set out above and to the new or amended standard terms, if provided, so taking effect by accessing credit, borrowing or continuing to borrow under the Credit Facilities. The above amendments and the

new or amended standard terms, if applicable, take effect as of the date of this amending agreement. All other terms and conditions outlined in the Agreement remain unchanged and in full force and effect.

ROYAL BANK OF CANADA

A handwritten signature in black ink, appearing to read 'C. Jankus', written over a horizontal line.

Per: _____

Title: Vice President

RBC Contact: Christopher Jankus

/mmc

Schedule "F"

BORROWING LIMIT CERTIFICATE

I, _____, representing the Borrower hereby certify as of
month ending _____:

1. I am familiar with and have examined the provisions of the Agreement dated February 9, 2022 and any amendments thereto, between Pioneer Balloon Canada Limited, as Borrower, and Royal Bank of Canada, as the Bank and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower. Terms defined in the Agreement have the same meanings where used in this certificate.

2. The Borrowing Limit is \$ _____, calculated as follows:

Total accounts receivable owing by Persons located in Canada \$ _____

Total Canadian/US Accounts Receivable

Less: a) Accounts, any portion of which exceeds 90 days \$ _____

b) Accounts due from affiliates \$ _____

c) "Under 90 days" accounts where collection is suspect \$ _____

d) Accounts subject to prior encumbrances \$ _____

e) Holdbacks, contra-accounts or rights of set-off \$ _____

f) Accounts included elsewhere in the Borrowing Limit calculation \$ _____

g) Other ineligible accounts \$ _____

Plus: h) Under 90 day portion of accounts included in a) above, where the over 90 day portion is less than 10% of the amount of accounts, or which the Bank has designated as nevertheless good \$ _____

Good Canadian/US Accounts Receivable

A \$ _____

Marginable Good Canadian/US Accounts Receivable at 75% of

B \$ _____

A

Total inventory (valued at lesser of cost or net realizable value)

\$ _____

Less: a) Inventory subject to prior encumbrances \$ _____

b) Inventory subject to 30 day supplier payables \$ _____

c) Other non qualifying inventory \$ _____

Unencumbered Inventory

C \$ _____

Marginable Unencumbered Inventory at 50% of C

D \$ _____

Less: Potential Prior-Ranking Claims while not limited to these include:

Sales tax, Excise & GST \$ _____

Employee source deductions such as E.I., CPP, Income Tax \$ _____

Workers Compensation Board \$ _____

Wages, Commissions, Vacation Pay \$ _____

Unpaid Pension Plan Contributions \$ _____

Overdue Rent, Property & Business Tax and potential claims from third parties such as subcontractors \$ _____

Other \$ _____

Total Potential Prior-Ranking Claims

E \$ _____

Borrowing Limit (B+D+E)

\$ _____

Less: Facility #1 Borrowings

\$ _____

Margin Surplus (Deficit)

\$ _____

3. The reports (if required as per the Reporting Requirements section of the Agreement) and information provided herewith are accurate and complete in all respects and all amounts certified as Potential Prior-Ranking Claims are current amounts owing and not in arrears.

Dated this _____ day of _____, 20____

Per: _____

Name: _____

Title: _____

TAB D

This is Exhibit D" referred to
in the affidavit of MaryLynn Borondy
subscribed and sworn to before me,
this 21 day of June 2024.

A handwritten signature in black ink, appearing to be "A. K. King", is written over a solid horizontal line.

A commissioner for taking affidavits.

GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

(a) For value received, the undersigned (the "Debtor"), hereby grants to **ROYAL BANK OF CANADA** ("RBC"), a security interest (the "Security Interest") in the undertaking of Debtor and in all of Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities and all other Investment Property now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore (hereinafter collectively called "Collateral"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:

- (i) all inventory of whatever kind and wherever situate;
- (ii) all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
- (iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");
- (iv) all lists, records and files relating to Debtor's customers, clients and patients;
- (v) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (vi) all contractual rights and insurance claims;
- (vii) all patents, industrial designs, trade-marks, trade secrets and know-how including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively, "Intellectual Property"); and
- (viii) all property described in Schedule "C" or any schedule now or hereafter annexed hereto.

(b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

(c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "Investment Property", "proceed", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement, whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the province referred to in Clause 14(s), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A., the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement and the term "Investment Property", if not defined in the P.P.S.A., shall be interpreted according to its meaning in the Personal Property Security Act (Ontario). Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to RBC (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and RBC shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

(a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements by third parties, encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption;

(b) all Intellectual Property applications and registrations are valid and in good standing and Debtor is the owner of the applications and registrations;

(c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by Debtor to RBC from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against RBC, whether in any proceeding to enforce Collateral or otherwise;

(d) the locations specified in Schedule "B" as to business operations and records are accurate and complete and with respect to Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment; and all fixtures or Goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situate at one of such locations; and

(e) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of Debtor's rights in the Collateral to RBC will not result in a breach of any agreement to which Debtor is a party.

4. COVENANTS OF THE DEBTOR

So long as this Security Agreement remains in effect Debtor covenants and agrees:

(a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licenses which are compulsory under federal or provincial legislation and those shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption, and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of RBC; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease Inventory and, subject to Clause 7 hereof, use Money available to Debtor;

(b) to notify RBC promptly of:

- (i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral,
- (ii) the details of any significant acquisition of Collateral,
- (iii) the details of any claims or litigation affecting Debtor or Collateral,
- (iv) any loss or damage to Collateral,
- (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral, and
- (vi) the return to or repossession by Debtor of Collateral;

(c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by RBC; to apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;

(d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by RBC of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;

(e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;

(f) to insure collateral in such amounts and against such risks as would customarily be insured by a prudent owner of similar Collateral and in such additional amounts and against such additional risks as RBC may from time to time direct, with loss payable to RBC and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor and deliver copies of policies and evidence of renewal to RBC on request;

(g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;

(h) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at RBC's request so as to indicate the Security Interest;

(i) to deliver to RBC from time to time promptly upon request:

- (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral,
- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same,
- (iii) all financial statements prepared by or for Debtor regarding Debtor's business,
- (iv) all policies and certificates of insurance relating to Collateral, and
- (v) such information concerning Collateral, the Debtor and Debtor's business and affairs as RBC may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that RBC shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner RBC may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as RBC may reasonably request in connection therewith and for such purpose to grant to RBC or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

6. SECURITIES, INVESTMENT PROPERTY

If Collateral at any time includes Securities, Debtor authorizes RBC to transfer the same or any part thereof into its own name or that of its nominee(s) so that RBC or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, RBC shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, Debtor waives all rights to receive any notices or communications received by RBC or its nominee(s) as such registered owner and agrees that no proxy issued by RBC to Debtor or its order as aforesaid shall thereafter be effective.

Where any Investment Property is held in or credited to an account that has been established with a securities intermediary, RBC may, at any time after default, give a notice of exclusive control to any such securities intermediary with respect to such Investment Property.

7. COLLECTION OF DEBTS

Before or after default under this Security Agreement, RBC may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to RBC. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement, shall be received and held by Debtor in trust for RBC and shall be turned over to RBC upon request.

8. INCOME FROM AND INTEREST ON COLLATERAL

(a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if RBC receives any such Money prior to default, RBC shall either credit the same against the Indebtedness or pay the same promptly to Debtor.

(b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if Debtor receives any such Money without any request by it, Debtor will pay the same promptly to RBC.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

(a) Whether or not default has occurred, Debtor authorizes RBC:

- (i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly;
- (ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor and to hold any such payment or distribution as part of Collateral.

(b) If Debtor receives any such increase or profits (other than Money) or payments or distributions, Debtor will deliver the same promptly to RBC to be held by RBC as herein provided.

10. DISPOSITION OF MONEY

Subject to any applicable requirements of the P.P.S.A., all Money collected or received by RBC pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as RBC deems best or, at the option of RBC, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of RBC hereunder, and any surplus shall be accounted for as required by law.

11. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

- (a) the nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and RBC;
- (b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;
- (c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act or otherwise;
- (d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor;
- (e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;
- (f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;
- (g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if distress or analogous process is levied upon the assets of Debtor or any part thereof;

(h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to RBC to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to RBC at or prior to the time of such execution.

12. ACCELERATION

RBC, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or if RBC considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of RBC with respect to any Indebtedness which may now or hereafter be payable on demand.

13. REMEDIES

(a) Upon default, RBC may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of RBC or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not RBC, and RBC shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by RBC, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to RBC. Every such Receiver may, in the discretion of RBC, be vested with all or any of the rights and powers of RBC.

(b) Upon default, RBC may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).

(c) RBC may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, RBC may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to RBC may seem reasonable.

(d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and RBC and in addition to any other rights RBC may have at law or in equity, RBC shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that RBC shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, RBC shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in RBC's possession and shall not be liable or accountable for failure to do so.

(e) Debtor acknowledges that RBC or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from RBC or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.

(f) Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by RBC or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by RBC or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

(g) RBC will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the P.P.S.A..

(h) Upon default and receiving written demand from RBC, Debtor shall take such further action as may be necessary to evidence and effect an assignment or licensing of Intellectual Property to whomever RBC directs, including to RBC. Debtor appoints any officer or director or branch manager of RBC upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, licence or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

14. MISCELLANEOUS

(a) Debtor hereby authorizes RBC to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situate) as RBC may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the herein mentioned branch of RBC the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.

(b) Without limiting any other right of RBC, whenever Indebtedness is immediately due and payable or RBC has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), RBC may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by RBC in any capacity, whether or not due, and RBC shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on RBC's records subsequent thereto.

(c) Upon Debtor's failure to perform any of its duties hereunder, RBC may, but shall not be obligated to

perform any or all of such duties, and Debtor shall pay to RBC, forthwith upon written demand therefor, an amount equal to the expense incurred by RBC in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 15% per annum.

(d) RBC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as RBC may see fit without prejudice to the liability of Debtor or RBC's right to hold and realize the Security Interest. Furthermore, RBC may demand, collect and sue on Collateral in either Debtor's or RBC's name, at RBC's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.

(e) No delay or omission by RBC in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, RBC may remedy any default by Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of RBC granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

(f) Debtor waives protest of any Instrument constituting Collateral at any time held by RBC on which Debtor is in any way liable and, subject to Clause 13(g) hereof, notice of any other action taken by RBC.

(g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against RBC. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

(h) RBC may provide any financial and other information it has about Debtor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or any one acting on behalf of the Bank.

(i) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

(j) Subject to the requirements of Clauses 13(g) and 14(k) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of RBC, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto, and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to RBC. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.

(k) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by RBC and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Manager or Acting Manager from time to time of the herein mentioned branch of RBC shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all Indebtedness contracted for or created before the receipt of such notice by RBC, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.

(l) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.

(m) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

(n) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

(o) Nothing herein contained shall in any way obligate RBC to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.

(p) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to RBC.

(q) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby

(i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and

(ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to RBC at the time of amalgamation and any "Indebtedness" of the amalgamated company to RBC thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

(r) In the event that Debtor is a body corporate, it is hereby agreed that The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement. In the event that Debtor is an agricultural corporation within the meaning of The Saskatchewan Farm Security Act, Debtor agrees with RBC that all of Part IV (other than Section 46) of that Act shall not apply to Debtor.

(s) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the province in which the herein branch of RBC is located, as those laws may from time to time be in effect, except if such branch of RBC is located in Quebec then, this Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

15. COPY OF AGREEMENT

(a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.

(b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by RBC or of any verification statement with respect to any financing statement or financing change statement registered by RBC. (Applies in all P.P.S.A. Provinces except Ontario).

16. Debtor represents and warrants that the following information is accurate:

INDIVIDUAL DEBTOR

| | | | |
|--|------------|-------------|------------------------------|
| SURNAME (LAST NAME) <i>None</i> | FIRST NAME | SECOND NAME | BIRTH DATE YEAR MONTH DAY |
| ADDRESS OF INDIVIDUAL DEBTOR | CITY | PROVINCE | POSTAL CODE |
| SURNAME (LAST NAME) | FIRST NAME | SECOND NAME | BIRTH DATE YEAR MONTH DAY |
| ADDRESS OF INDIVIDUAL DEBTOR (IF DIFFERENT FROM ABOVE) | CITY | PROVINCE | POSTAL CODE |

BUSINESS DEBTOR

| | | | |
|--|------------------|----------------|------------------------|
| NAME OF BUSINESS DEBTOR PIONEER BALLOON CANADA LIMITED | | | |
| ADDRESS OF BUSINESS DEBTOR 333 KENORA AVENUE NORTH | CITY HAMILTON | PROVINCE ON | POSTAL CODE L8E 2W3 |

TRADE NAME (IF APPLICABLE)

| | | | |
|---|------|----------|-------------|
| TRADE NAME OF DEBTOR | | | |
| PRINCIPAL ADDRESS (IF DIFFERENT FROM ABOVE) | CITY | PROVINCE | POSTAL CODE |

IN WITNESS WHEREOF Debtor has executed this Security Agreement this 11TH day of June, 2024.

PIONEER BALLOON CANADA LIMITED

Per: *Ted A. Vlaminis*

Name: *Ted A. Vlaminis*

Title: *President/ Director*

BRANCH ADDRESS

| |
|--|
| Royal Bank of Canada 20 King Street West, 2nd Floor Toronto, Ontario M6K 1H3 |
|--|

SCHEDULE "A"

(ENCUMBRANCES AFFECTING COLLATERAL)

SCHEDULE "B"**1. Locations of Debtor's Business Operations**

333 Kenora Avenue North
Hamilton, Ontario L8E 2W3

2. Locations of Records relating to Collateral (if different from 1. above)**3. Locations of Collateral (if different from 1. above)**

SCHEDULE "C"
(DESCRIPTION OF PROPERTY)

TAB E

This is Exhibit "E" referred to
in the affidavit of MaryLynn Borondy
subscribed and sworn to before me,
this 21 day of June 2024.

A handwritten signature in black ink, appearing to be "D. L. King", written over a solid horizontal line.

A commissioner for taking affidavits.

Enquiry Result

File Currency: 18JUN 2024

All Pages

◀◀

▶▶

Show All Pages

Note: All pages have been returned.

| | | | | | | | | | |
|--|--------------------------------|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | | | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 636301449 | 1 | 11 | 1 | 34 | 13JUN 2027 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 636301449 | | 01 | 001 | | 20070613 1453 1530 9060 | P PPSA | 5 | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | PIONEER BALLOON CANADA LIMITED | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 333 KENORA AVE | | | | HAMILTON | ON | L8E 2W3 | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | ROYAL BANK OF CANADA | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 180 WELLINGTON ST W BSC 3RD FL | | | | TORONTO | ON | M5J 1J1 | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | X | X | X | X | X | | | |
| Motor Vehicle Description | Year | Make | | | Model | | V.I.N. | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

| Registering Agent | Registering Agent | | | |
|-------------------|--|---------|----------|-------------|
| | CANADIAN SECURITIES REGISTRATION SYSTEMS | | | |
| | Address | City | Province | Postal Code |
| | 4126 NORLAND AVENUE | BURNABY | BC | V5G 3S8 |

CONTINUED

| | | | | | | | | | | |
|---|---|------------------|-------------|---------------------------------|-------------------------|------------------------|----------|----------------------------|------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED119 | | | | | | | | | |
| File Currency | 18JUN 2024 | | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | | | | | |
| | 636301449 | 1 | 11 | 2 | 34 | | | | | |
| FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT | | | | | | | | | | |
| | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule Attached | Registration Number | | | | Registered Under | |
| | | 01 | 001 | | 20120517 1947 1531 3356 | | | | | |
| Record Referenced | File Number | Page Amended | | No Specific Page Amended | Change Required | | | Renewal Years | Correct Period | |
| | 636301449 | | | X | B RENEWAL | | | 5 | | |
| Reference Debtor/ Transferor | First Given Name | | | | Initial | Surname | | | | |
| | | | | | | | | | | |
| | Business Debtor Name | | | | | | | | | |
| | PIONEER BALLOON CANADA LIMITED | | | | | | | | | |
| Other Change | Other Change | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Reason / Description | Reason / Description | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Debtor/ Transferee | Date of Birth | First Given Name | | | Initial | | Surname | | | |
| | | | | | | | | | | |
| | Business Debtor Name | | | | | | | Ontario Corporation Number | | |
| | | | | | | | | | | |
| | Address | | | | City | | Province | Postal Code | | |
| | | | | | | | | | | |
| Assignor Name | Assignor Name | | | | | | | | | |
| | | | | | | | | | | |
| Secured Party | Secured party, lien claimant, assignee | | | | | | | | | |
| | | | | | | | | | | |
| | Address | | | | City | | Province | Postal Code | | |
| | | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | | No Fixed Maturity Date |
| | | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | | | V.I.N. | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Registering Agent | Registering Agent or Secured Party/ Lien Claimant | | | | | | | | | |
| | CANADIAN SECURITIES REGISTRATION SYSTEMS | | | | | | | | | |

| | Address | City | Province | Postal Code |
|--|---------------------|---------|----------|-------------|
| | 4126 NORLAND AVENUE | BURNABY | BC | V5G 3S8 |

CONTINUED

| | | | | | | | | | | |
|---|---|------------------|-------------|---------------------------------|-------------------------|------------------------|---------------|----------------------------|------------------------|--|
| Type of Search | Business Debtor | | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED121 | | | | | | | | | |
| File Currency | 18JUN 2024 | | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | | | | | |
| | 636301449 | 1 | 11 | 3 | 34 | | | | | |
| FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT | | | | | | | | | | |
| | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule Attached | Registration Number | | | Registered Under | | |
| | | 01 | 001 | | 20170512 1434 1530 2609 | | | | | |
| Record Referenced | File Number | Page Amended | | No Specific Page Amended | Change Required | | Renewal Years | Correct Period | | |
| | 636301449 | | | X | B RENEWAL | | 5 | | | |
| Reference Debtor/ Transferor | First Given Name | | | | Initial | Surname | | | | |
| | | | | | | | | | | |
| | Business Debtor Name | | | | | | | | | |
| | PIONEER BALLOON CANADA LIMITED | | | | | | | | | |
| Other Change | Other Change | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Reason / Description | Reason / Description | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Debtor/ Transferee | Date of Birth | First Given Name | | | Initial | | Surname | | | |
| | | | | | | | | | | |
| | Business Debtor Name | | | | | | | Ontario Corporation Number | | |
| | | | | | | | | | | |
| | Address | | | | City | | Province | Postal Code | | |
| | | | | | | | | | | |
| Assignor Name | Assignor Name | | | | | | | | | |
| | | | | | | | | | | |
| Secured Party | Secured party, lien claimant, assignee | | | | | | | | | |
| | | | | | | | | | | |
| | Address | | | | City | | Province | Postal Code | | |
| | | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date | |
| | | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | | V.I.N. | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Registering Agent | Registering Agent or Secured Party/ Lien Claimant | | | | | | | | | |
| | CANADIAN SECURITIES REGISTRATION SYSTEMS | | | | | | | | | |

| | Address | City | Province | Postal Code |
|--|---------------------|---------|----------|-------------|
| | 4126 NORLAND AVENUE | BURNABY | BC | V5G 3S8 |

CONTINUED

| | | | | | | | | | | |
|---|---|------------------|-------------|---------------------------------|-------------------------|------------------------|---------------|----------------------------|--|------------------------|
| Type of Search | Business Debtor | | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED123 | | | | | | | | | |
| File Currency | 18JUN 2024 | | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | | | | | |
| | 636301449 | 1 | 11 | 4 | 34 | | | | | |
| FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT | | | | | | | | | | |
| | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule Attached | Registration Number | | | Registered Under | | |
| | | 001 | 1 | | 20220520 0813 1532 9706 | | | | | |
| Record Referenced | File Number | Page Amended | | No Specific Page Amended | Change Required | | Renewal Years | Correct Period | | |
| | 636301449 | | | | B RENEWAL | | 5 | | | |
| Reference Debtor/ Transferor | First Given Name | | | | Initial | Surname | | | | |
| | | | | | | | | | | |
| | Business Debtor Name | | | | | | | | | |
| | PIONEER BALLOON CANADA LIMITED | | | | | | | | | |
| Other Change | Other Change | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Reason / Description | Reason / Description | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Debtor/ Transferee | Date of Birth | First Given Name | | | Initial | | Surname | | | |
| | | | | | | | | | | |
| | Business Debtor Name | | | | | | | Ontario Corporation Number | | |
| | | | | | | | | | | |
| | Address | | | | City | | Province | Postal Code | | |
| | | | | | | | | | | |
| Assignor Name | Assignor Name | | | | | | | | | |
| | | | | | | | | | | |
| Secured Party | Secured party, lien claimant, assignee | | | | | | | | | |
| | | | | | | | | | | |
| | Address | | | | City | | Province | Postal Code | | |
| | | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | | No Fixed Maturity Date |
| | | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | | V.I.N. | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Registering Agent | Registering Agent or Secured Party/ Lien Claimant | | | | | | | | | |
| | D + H LIMITED PARTNERSHIP | | | | | | | | | |

| | Address | City | Province | Postal Code |
|--|------------------------------------|-------------|----------|-------------|
| | 2 ROBERT SPECK PARKWAY, 15TH FLOOR | MISSISSAUGA | ON | L4Z 1H8 |

124

END OF FAMILY

| | | | | | | | | | |
|---|---|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | 125 | | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 750918483 | 2 | 11 | 5 | 34 | 06MAY 2029 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 750918483 | | 01 | 005 | | 20190506 1630 8077 0685 | P PPSA | 10 | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | PIONEER BALLOON CANADA LIMITED | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 333 KENORA DRIVE | | | | HAMILTON | ON | L8E2W3 | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | ROYAL BANK OF CANADA | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 300-5575 NORTH SERVICE RD | | | | BURLINGTON | ON | L7L 6M1 | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | X | X | X | X | | | | X |
| Motor Vehicle Description | Year | Make | | | Model | | V.I.N. | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | AS PER MASTER LEASE AGREEMENT DATED MAY 6TH 2019 TOGETHER WITH | | | | | | | | |
| | ALL INVENTORY AND EQUIPMENT NOW OR HEREAFTER ACQUIRED BY THE DEBTOR | | | | | | | | |
| | AND FINANCED BY THE SECURED PARTY TOGETHER WITH ALL ATTACHMENTS, | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | REGISTRY = RECOVERY INC. | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 1551 THE QUEENSWAY | | | | TORONTO | ON | M8Z 1T5 | | |

CONTINUED

| | | | | | | | | | |
|--|---|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | 126 | | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 750918483 | 2 | 11 | 6 | 34 | 06MAY 2029 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 750918483 | | 02 | 005 | | 20190506 1630 8077 0685 | | | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | | | | | | | | |
| | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | | V.I.N. | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND | | | | | | | | |
| | IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY | | | | | | | | |
| | OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS | | | | | | | | |
| | | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |

CONTINUED

| | | | | | | | | | |
|--|---|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | 127 | | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 750918483 | 2 | 11 | 7 | 34 | 06MAY 2029 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 750918483 | | 03 | 005 | | 20190506 1630 8077 0685 | | | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | | | | | | | | |
| | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | | V.I.N. | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT- | | | | | | | | |
| | TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER | | | | | | | | |
| | PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, | | | | | | | | |
| | | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |

| | | | | | | | | | |
|--|--|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | 128 | | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 750918483 | 2 | 11 | 8 | 34 | 06MAY 2029 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 750918483 | | 04 | 005 | | 20190506 1630 8077 0685 | | | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | | | | | | | | |
| | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | | V.I.N. | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS | | | | | | | | |
| | OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR | | | | | | | | |
| | COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE | | | | | | | | |
| | | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |

| | | | | | | | | | |
|--|--------------------------------|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | 129 | | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 750918483 | 2 | 11 | 9 | 34 | 06MAY 2029 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 750918483 | | 05 | 005 | | 20190506 1630 8077 0685 | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | | V.I.N. | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | COLLATERAL. | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |

END OF FAMILY

| | | | | | | | | | |
|--|---|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | 130 | | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 756526977 | 3 | 11 | 10 | 34 | 15OCT 2025 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 756526977 | | 01 | 003 | | 20191015 1434 8077 9048 | P PPSA | 6 | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | PIONEER BALLOON CANADA LIMITED | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 333 KENORA AVE | | | | HAMILTON | ON | L8E 2W3 | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | RCAP LEASING INC. | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 5575 NORTH SERVICE RD, STE 300 | | | | BURLINGTON | ON | L7L 6M1 | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | | X | X | X | | | | X |
| Motor Vehicle Description | Year | Make | | | Model | | V.I.N. | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | ALL PHOTOCOPIER EQUIPMENT FROM TIME TO TIME LEASED BY THE | | | | | | | | |
| | SECURED PARTY TO THE DEBTOR AS DESCRIBED ON LEASES, CONDITIONAL SALES | | | | | | | | |
| | AGREEMENTS AND ANY OTHER FINANCING AGREEMENTS ENTERED INTO BETWEEN | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | REGISTRY = RECOVERY INC. | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 1551 THE QUEENSWAY | | | | TORONTO | ON | M8Z 1T5 | | |

CONTINUED

| | | | | | | | | | |
|--|---|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | 131 | | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 756526977 | 3 | 11 | 11 | 34 | 15OCT 2025 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 756526977 | | 02 | 003 | | 20191015 1434 8077 9048 | | | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | | | | | | | | |
| | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | | V.I.N. | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | THE SECURED PARTY AND THE DEBTOR FROM TIME TO TIME AND ANY PROCEEDS | | | | | | | | |
| | THEREOF, TOGETHER WITH ALL REPLACEMENT PARTS, ACCESSORIES AND | | | | | | | | |
| | ATTACHMENTS. | | | | | | | | |
| | | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |

CONTINUED

| | | | | | | | | | | |
|--|-----------------------------------|------------------|-------------|------------------------|-------------------------|------------------------|----------------------------|---------------------|------------------------|--|
| Type of Search | Business Debtor | | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED132 | | | | | | | | | |
| File Currency | 18JUN 2024 | | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | | |
| | 756526977 | 3 | 11 | 12 | 34 | 15OCT 2025 | | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | | |
| 756526977 | | 03 | 003 | | 20191015 1434 8077 9048 | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | | Surname | | | |
| | | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | | |
| | Address | | | | City | | Province | Postal Code | | |
| | | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | | Surname | | | |
| | | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | | |
| | Address | | | | City | | Province | Postal Code | | |
| | | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | | |
| | | | | | | | | | | |
| | Address | | | | City | | Province | Postal Code | | |
| | | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date | |
| | | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | | V.I.N. | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | | |
| | | | | | | | | | | |
| | Address | | | | City | | Province | Postal Code | | |
| | | | | | | | | | | |

END OF FAMILY

| | | | | | | | | | |
|--|---|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | | 133 | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 762163146 | 4 | 11 | 13 | 34 | 27MAY 2025 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 762163146 | | 001 | 2 | | 20200527 1403 6005 1397 | P PPSA | 05 | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | PIONEER BALLOON CANADA LIMITED | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 333 KENORA AVENUE | | | | HAMILTON | ON | L8E 2W3 | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | CWB NATIONAL LEASING INC. | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 1525 BUFFALO PLACE 2998419 | | | | WINNIPEG | MB | R3T 1L9 | | |
| | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | | X | | | | | | |
| | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | V.I.N. | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | ALL COMMERCIAL CLEANING EQUIPMENT-DISK SCRUBBER OF EVERY NATURE OR | | | | | | | | |
| | KIND DESCRIBED IN AGREEMENT NUMBER 2998419, BETWEEN THE SECURED PARTY | | | | | | | | |
| | AND THE DEBTOR, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL | | | | | | | | |
| | | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |

CONTINUED

| | | | | | | | | | |
|--|--|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | 134 | | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 762163146 | 4 | 11 | 14 | 34 | 27MAY 2025 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 762163146 | | 002 | 2 | | 20200527 1403 6005 1397 | | | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | | | | | | | | |
| | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | | V.I.N. | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND | | | | | | | | |
| | DERIVED DIRECTLY OR INDIRECTLY THEREFROM. | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |

END OF FAMILY

| | | | | | | | | | |
|--|--|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | | 135 | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 769874094 | 5 | 11 | 15 | 34 | 16FEB 2031 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 769874094 | | 001 | 1 | | 20210216 0830 1590 3932 | P PPSA | 10 | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | PIONEER BALLOON CANADA LIMITED | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 333 KENORA AVE N | | | | HAMILTON | ON | L8E 2W3 | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | FGI WORLDWIDE LLC | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 80 BROAD STREET, 22ND FLOOR | | | | NEW YORK | NY | 10004 | | |
| | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | X | X | X | X | X | | | |
| | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | V.I.N. | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | BLAKE, CASSELS & GRAYDON LLP (S. CONWAY/LLB) | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 4000 COMMERCE COURT WEST, 199 BAY STREET | | | | TORONTO | ON | M5L 1A9 | | |

END OF FAMILY

| | | | | | | | | | |
|--|--------------------------------|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | 136 | | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 774126306 | 6 | 11 | 16 | 34 | 05JUL 2024 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 774126306 | | 01 | 002 | | 20210705 1702 1462 3367 | P PPSA | 3 | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | PIONEER BALLOON CANADA LTD. | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 333 KENORA AVE | | | | HAMILTON | ON | L8E2W3 | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | PIONEER BALLOON CANADA | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 333 KENORA AVE | | | | HAMILTON | ON | L8E2W3 | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | VAULT CREDIT CORPORATION | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 41 SCARSDALE ROAD UNIT 5 | | | | TORONTO | ON | M3B2R2 | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | | X | | X | | | | |
| Motor Vehicle Description | Year | Make | | | Model | | V.I.N. | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | VAULT CREDIT CORPORATION | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 41 SCARSDALE ROAD UNIT 5 | | | | TORONTO | ON | M3B2R2 | | |

CONTINUED

| | | | | | | | | | |
|--|--------------------------------|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | 137 | | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 774126306 | 6 | 11 | 17 | 34 | 05JUL 2024 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 774126306 | | 02 | 002 | | 20210705 1702 1462 3367 | P PPSA | 3 | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | PIONEER BALLOON CANADA LIMITED | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 333 KENORA AVE | | | | HAMILTON | ON | L8E2W3 | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | | V.I.N. | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | VAULT CREDIT CORPORATION | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 41 SCARSDALE ROAD UNIT 5 | | | | TORONTO | ON | M3B2R2 | | |

END OF FAMILY

| | | | | | | | | | |
|--|---|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | | 138 | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 774405054 | 7 | 11 | 18 | 34 | 14JUL 2031 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 774405054 | | 001 | 4 | | 20210714 1017 6005 3594 | P PPSA | 10 | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | PIONEER BALLOON CANADA LIMITED | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 333 KENORA AVENUE | | | | HAMILTON | ON | L8E 2W3 | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | CWB NATIONAL LEASING INC. | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 1525 BUFFALO PL. (3059556) | | | | WINNIPEG | MB | R3T 1L9 | | |
| | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | | X | | | | | | |
| | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | | V.I.N. | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | ALL GOODS AND EQUIPMENT OF EVERY NATURE OR KIND LEASED PURSUANT TO | | | | | | | | |
| | MASTER LEASE AGREEMENT NUMBER 50554039 BETWEEN CATALYST FINANCE | | | | | | | | |
| | PARTNERS INC., AS ORIGINAL SECURED PARTY AND THE DEBTOR, WHICH MASTER | | | | | | | | |
| | | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |

CONTINUED

| | | | | | | | | | |
|---|---|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | 139 | | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 774405054 | 7 | 11 | 19 | 34 | 14JUL 2031 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 774405054 | | 002 | 4 | | 20210714 1017 6005 3594 | | | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | | | | | | | | |
| | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | | V.I.N. | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | LEASE AGREEMENT WAS ASSIGNED BY THE ORIGINAL SECURED PARTY TO THE | | | | | | | | |
| | SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL | | | | | | | | |
| | ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND | | | | | | | | |
| | | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |

CONTINUED

| | | | | | | | | | |
|--|---|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | 140 | | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 774405054 | 7 | 11 | 20 | 34 | 14JUL 2031 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 774405054 | | 003 | 4 | | 20210714 1017 6005 3594 | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | V.I.N. | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | DERIVED DIRECTLY OR INDIRECTLY THEREFROM, INCLUDING ALL AFTER | | | | | | | | |
| | ACQUIRED GOODS AND EQUIPMENT SUBJECT TO THE INTERIM FUNDING AGREEMENT | | | | | | | | |
| | AND ANY LEASE SCHEDULES ATTACHED TO AND FORMING PART OF MASTER LEASE | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |

CONTINUED

| | | | | | | | | | |
|--|--------------------------------|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | 141 | | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 774405054 | 7 | 11 | 21 | 34 | 14JUL 2031 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 774405054 | | 004 | 4 | | 20210714 1017 6005 3594 | | | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | | | | | | | | |
| | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | V.I.N. | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | AGREEMENT NUMBER 50554039. | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |

END OF FAMILY

| | | | | | | | | | |
|--|---|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | | 142 | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 778911966 | 8 | 11 | 22 | 34 | 09DEC 2026 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 778911966 | | 001 | 2 | | 20211209 1141 6005 6669 | P PPSA | 05 | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | PIONEER BALLOON CANADA LIMITED | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 333 KENORA AVENUE | | | | HAMILTON | ON | L8E 2W3 | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | CWB NATIONAL LEASING INC. | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 1525 BUFFALO PL (3059556) | | | | WPG | MB | R3T 1L9 | | |
| | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | | X | | | | | | |
| | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | V.I.N. | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | ALL BOILER OF EVERY NATURE OR KIND DESCRIBED IN LEASE SCHEDULE NUMBER | | | | | | | | |
| | 3059556, WHICH LEASE SCHEDULE IS ATTACHED TO AND FORMS PART OF | | | | | | | | |
| | MASTER LEASE AGREEMENT NUMBER 50554039 BETWEEN THE SECURED PARTY, AS | | | | | | | | |
| | | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |

CONTINUED

| | | | | | | | | | |
|--|--|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | 143 | | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 778911966 | 8 | 11 | 23 | 34 | 09DEC 2026 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 778911966 | | 002 | 2 | | 20211209 1141 6005 6669 | | | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | | | | | | | | |
| | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | V.I.N. | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | LESSOR AND THE DEBTOR AS LESSEE, AS AMENDED FROM TIME TO TIME, | | | | | | | | |
| | TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND | | | | | | | | |
| | PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM. | | | | | | | | |
| | | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |

| | | | | | | | | | | |
|---|---|--------------|------------------|---------------------------------|-------------------------|------------------------|---------------|----------------------------|-------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED144 | | | | | | | | | |
| File Currency | 18JUN 2024 | | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | | | | | |
| | 778911966 | 8 | 11 | 24 | 34 | | | | | |
| FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT | | | | | | | | | | |
| | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule Attached | Registration Number | | | Registered Under | | |
| | | 001 | 3 | | 20211216 1221 6005 6838 | | | | | |
| Record Referenced | File Number | Page Amended | | No Specific Page Amended | Change Required | | Renewal Years | Correct Period | | |
| | 778911966 | | | | A AMNDMNT | | | | | |
| Reference Debtor/ Transferor | First Given Name | | | | Initial | Surname | | | | |
| | | | | | | | | | | |
| | Business Debtor Name | | | | | | | | | |
| | PIONEER BALLOON CANADA LIMITED | | | | | | | | | |
| Other Change | Other Change | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Reason / Description | Reason / Description | | | | | | | | | |
| | AMENDING GENERAL COLLATERAL AGREEMENT NUMBER 3059556 | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Debtor/ Transferee | Date of Birth | | First Given Name | | | Initial | | Surname | | |
| | | | | | | | | | | |
| | Business Debtor Name | | | | | | | Ontario Corporation Number | | |
| | | | | | | | | | | |
| | Address | | | | | City | | Province | Postal Code | |
| | | | | | | | | | | |
| Assignor Name | Assignor Name | | | | | | | | | |
| | | | | | | | | | | |
| Secured Party | Secured party, lien claimant, assignee | | | | | | | | | |
| | | | | | | | | | | |
| | Address | | | | | City | | Province | Postal Code | |
| | | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | | No Fixed Maturity Date |
| | | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | | Model | | V.I.N. | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | | |
| | ALL BOILERS OF EVERY NATURE OR KIND DESCRIBED IN LEASE SCHEDULE | | | | | | | | | |
| | NUMBER 3059556, WHICH LEASE SCHEDULE IS ATTACHED TO AND FORMS | | | | | | | | | |
| | PART OF MASTER LEASE AGREEMENT NUMBER 50554039 BETWEEN CATALYST | | | | | | | | | |
| Registering Agent | Registering Agent or Secured Party/ Lien Claimant | | | | | | | | | |
| | CWB NATIONAL LEASING INC. | | | | | | | | | |

| | Address | City | Province | Postal Code |
|--|---------------------------|------|----------|-------------|
| | 1525 BUFFALO PL (3059556) | WPG | MB 145 | R3T 1L9 |

CONTINUED

| | | | | | | | | | | |
|---|---|------------------|-------------|---------------------------------|-------------------------|------------------------|----------|----------------------------|------------------------|--|
| Type of Search | Business Debtor | | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED146 | | | | | | | | | |
| File Currency | 18JUN 2024 | | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | | | | | |
| | 778911966 | 8 | 11 | 25 | 34 | | | | | |
| FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT | | | | | | | | | | |
| | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule Attached | Registration Number | | | Registered Under | | |
| | | 002 | 3 | | 20211216 1221 6005 6838 | | | | | |
| Record Referenced | File Number | Page Amended | | No Specific Page Amended | Change Required | | | Renewal Years | Correct Period | |
| | 778911966 | | | | | | | | | |
| Reference Debtor/ Transferor | First Given Name | | | | Initial | Surname | | | | |
| | | | | | | | | | | |
| | Business Debtor Name | | | | | | | | | |
| | | | | | | | | | | |
| Other Change | Other Change | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Reason / Description | Reason / Description | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Debtor/ Transferee | Date of Birth | First Given Name | | | Initial | | Surname | | | |
| | | | | | | | | | | |
| | Business Debtor Name | | | | | | | Ontario Corporation Number | | |
| | | | | | | | | | | |
| | Address | | | | City | | Province | Postal Code | | |
| | | | | | | | | | | |
| Assignor Name | Assignor Name | | | | | | | | | |
| | | | | | | | | | | |
| Secured Party | Secured party, lien claimant, assignee | | | | | | | | | |
| | | | | | | | | | | |
| | Address | | | | City | | Province | Postal Code | | |
| | | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date | |
| | | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | | | V.I.N. | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | | |
| | FINANCE PARTNERS INC., AS ORIGINAL SECURED PARTY AND THE DEBTOR, | | | | | | | | | |
| | WHICH AGREEMENT WAS ASSIGNED BY THE ORIGINAL SECURED PARTY TO THE | | | | | | | | | |
| | SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL | | | | | | | | | |
| Registering Agent | Registering Agent or Secured Party/ Lien Claimant | | | | | | | | | |
| | | | | | | | | | | |

| | Address | City | Province | Postal Code |
|--|---------|------|----------|-------------|
| | | | 147 | |

CONTINUED

| | | | | | | | | | | |
|---|--|------------------|-------------|---------------------------------|-------------------------|------------------------|----------|----------------------------|------------------------|-----|
| Type of Search | Business Debtor | | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | | | | 148 |
| File Currency | 18JUN 2024 | | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | | | | | |
| | 778911966 | 8 | 11 | 26 | 34 | | | | | |
| FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT | | | | | | | | | | |
| | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule Attached | Registration Number | | | Registered Under | | |
| | | 003 | 3 | | 20211216 1221 6005 6838 | | | | | |
| Record Referenced | File Number | Page Amended | | No Specific Page Amended | Change Required | | | Renewal Years | Correct Period | |
| | 778911966 | | | | | | | | | |
| Reference Debtor/ Transferor | First Given Name | | | | Initial | Surname | | | | |
| | | | | | | | | | | |
| | Business Debtor Name | | | | | | | | | |
| | | | | | | | | | | |
| Other Change | Other Change | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Reason / Description | Reason / Description | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Debtor/ Transferee | Date of Birth | First Given Name | | | Initial | | Surname | | | |
| | | | | | | | | | | |
| | Business Debtor Name | | | | | | | Ontario Corporation Number | | |
| | | | | | | | | | | |
| | Address | | | | City | | Province | Postal Code | | |
| | | | | | | | | | | |
| Assignor Name | Assignor Name | | | | | | | | | |
| | | | | | | | | | | |
| Secured Party | Secured party, lien claimant, assignee | | | | | | | | | |
| | | | | | | | | | | |
| | Address | | | | City | | Province | Postal Code | | |
| | | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date | |
| | | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | | | V.I.N. | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | | |
| | ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND | | | | | | | | | |
| | DERIVED DIRECTLY OR INDIRECTLY THEREFROM. | | | | | | | | | |
| | | | | | | | | | | |
| Registering Agent | Registering Agent or Secured Party/ Lien Claimant | | | | | | | | | |
| | | | | | | | | | | |

| | Address | City | Province | Postal Code |
|--|---------|------|----------|-------------|
| | | | 149 | |

CONTINUED

| | | | | | | | | | | |
|---|---|------------------|-------------|---------------------------------|-------------------------|------------------------|---------------|----------------------------|--|------------------------|
| Type of Search | Business Debtor | | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED150 | | | | | | | | | |
| File Currency | 18JUN 2024 | | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | | | | | |
| | 778911966 | 8 | 11 | 27 | 34 | | | | | |
| FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT | | | | | | | | | | |
| | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule Attached | Registration Number | | | Registered Under | | |
| | | 001 | 1 | | 20211231 1103 6005 7080 | | | | | |
| Record Referenced | File Number | Page Amended | | No Specific Page Amended | Change Required | | Renewal Years | Correct Period | | |
| | 778911966 | | | | A AMNDMNT | | | | | |
| Reference Debtor/ Transferor | First Given Name | | | | Initial | Surname | | | | |
| | | | | | | | | | | |
| | Business Debtor Name | | | | | | | | | |
| | PIONEER BALLOON CANADA LIMITED | | | | | | | | | |
| Other Change | Other Change | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Reason / Description | Reason / Description | | | | | | | | | |
| | AGREEMENT NUMBER CHANGE | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Debtor/ Transferee | Date of Birth | First Given Name | | | Initial | | Surname | | | |
| | | | | | | | | | | |
| | Business Debtor Name | | | | | | | Ontario Corporation Number | | |
| | | | | | | | | | | |
| | Address | | | | City | | Province | Postal Code | | |
| | | | | | | | | | | |
| Assignor Name | Assignor Name | | | | | | | | | |
| | | | | | | | | | | |
| Secured Party | Secured party, lien claimant, assignee | | | | | | | | | |
| | | | | | | | | | | |
| | Address | | | | City | | Province | Postal Code | | |
| | | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | | No Fixed Maturity Date |
| | | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | | V.I.N. | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | | |
| | AMENDING AGREEMENT NUMBER FROM 3059556 TO 3083670 | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Registering Agent | Registering Agent or Secured Party/ Lien Claimant | | | | | | | | | |
| | CWB NATIONAL LEASING INC. | | | | | | | | | |

| | Address | City | Province | Postal Code |
|--|------------------------------|----------|----------|-------------|
| | 1525 BUFFALO PLACE (3083670) | WINNIPEG | MB 151 | R3T 1L9 |

END OF FAMILY

| | | | | | | | | | |
|--|--------------------------------|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | | 152 | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 779126697 | 9 | 11 | 28 | 34 | 17DEC 2025 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 779126697 | | 01 | 002 | | 20211217 1404 1462 0014 | P PPSA | 4 | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | PIONEER BALLOON CANADA LIMITED | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 333 KENORA AVE | | | | HAMILTON | ON | L8E2W3 | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | PIONEER BALLOON CDA LIMITED | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 333 KENORA AVE | | | | HAMILTON | ON | L8E2W3 | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | VAULT CREDIT CORPORATION | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 41 SCARSDALE ROAD UNIT 5 | | | | TORONTO | ON | M3B2R2 | | |
| | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | | X | | X | | | | |
| | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | V.I.N. | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | VAULT CREDIT CORPORATION | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 41 SCARSDALE ROAD UNIT 5 | | | | TORONTO | ON | M3B2R2 | | |

CONTINUED

| | | | | | | | | | |
|--|--------------------------------|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | | 153 | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 779126697 | 9 | 11 | 29 | 34 | 17DEC 2025 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 779126697 | | 02 | 002 | | 20211217 1404 1462 0014 | P PPSA | 4 | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | PIONEER BALLOON CANADA LTD | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 333 KENORA AVE | | | | HAMILTON | ON | L8E2W3 | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | PIONEER BALLOON CDA LTD | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 333 KENORA AVE | | | | HAMILTON | ON | L8E2W3 | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | | | | | | | | |
| | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | V.I.N. | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | VAULT CREDIT CORPORATION | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 41 SCARSDALE ROAD UNIT 5 | | | | TORONTO | ON | M3B2R2 | | |

END OF FAMILY

| | | | | | | | | | |
|--|------------------------------------|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | 154 | | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 794428101 | 10 | 11 | 30 | 34 | 19JUN 2028 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 794428101 | | 001 | 1 | | 20230619 0847 1532 1845 | P PPSA | 5 | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | PIONEER BALLOON CANADA LIMITED | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 333 KENORA AVE | | | | HAMILTON | ON | L8E2W3 | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | HONDA CANADA FINANCE INC. | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 180 HONDA BLVD | | | | MARKHAM | ON | L6C0H9 | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | X | | X | | | X | 50424 | 16JUN2028 | |
| Motor Vehicle Description | Year | Make | | | Model | | V.I.N. | | |
| | 2023 | HONDA | | | CRV | | 2HKRS6H98PH208454 | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | D + H LIMITED PARTNERSHIP | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 2 ROBERT SPECK PARKWAY, 15TH FLOOR | | | | MISSISSAUGA | ON | L4Z 1H8 | | |

END OF FAMILY

| | | | | | | | | | |
|--|---|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | 155 | | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 795539754 | 11 | 11 | 31 | 34 | 25JUL 2028 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 795539754 | | 001 | 4 | | 20230725 0849 1532 7199 | P PPSA | 05 | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | PIONEER BALLOON CANADA LTD | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 333 KENORA DRIVE | | | | HAMILTON, | ON | L8E2W3 | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | ROYAL BANK OF CANADA | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 5575 NORTH SERVICE RD,STE 300 | | | | BURLINGTON | ON | L7L 6M1 | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | | X | | X | | | | |
| Motor Vehicle Description | Year | Make | | | Model | | V.I.N. | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | EQUIPMENT AS FURTHER DESCRIBED UNDER LEASE CONTRACT #201000074955 | | | | | | | | |
| | EQUIPMENT DESCRIPTION, NEW BALLOON RECLAMATION X4 LINES TOGETHER | | | | | | | | |
| | WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | D + H LIMITED PARTNERSHIP | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | 2 ROBERT SPECK PARKWAY, 15TH FLOOR | | | | MISSISSAUGA | ON | L4Z 1H8 | | |

CONTINUED

| | | | | | | | | | |
|--|--|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | 156 | | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 795539754 | 11 | 11 | 32 | 34 | 25JUL 2028 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 795539754 | | 002 | 4 | | 20230725 0849 1532 7199 | | | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | | | | | | | | |
| | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | | V.I.N. | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS | | | | | | | | |
| | IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE | | | | | | | | |
| | COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, | | | | | | | | |
| | | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |

| | | | | | | | | | |
|--|---|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | 157 | | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 795539754 | 11 | 11 | 33 | 34 | 25JUL 2028 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 795539754 | | 003 | 4 | | 20230725 0849 1532 7199 | | | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| | | | | | | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | | | | | | | | |
| | | | | | | | | | |
| Motor Vehicle Description | Year | Make | | | Model | | V.I.N. | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS | | | | | | | | |
| | RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE | | | | | | | | |
| | COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF | | | | | | | | |
| | | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| | | | | | | | | | |

CONTINUED

| | | | | | | | | | |
|--|--|------------------|-------------|------------------------|-------------------------|----------------------------|---------------------|---------------------|------------------------|
| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | PIONEER BALLOON CANADA LIMITED | | | | | | 158 | | |
| File Currency | 18JUN 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 795539754 | 11 | 11 | 34 | 34 | 25JUL 2028 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 795539754 | | 004 | 4 | | 20230725 0849 1532 7199 | | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | Address | | | | City | Province | Postal Code | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | Address | | | | City | Province | Postal Code | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| Motor Vehicle Description | Year | Make | | | Model | V.I.N. | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER | | | | | | | | |
| | PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE | | | | | | | | |
| | COLLATERAL OR PROCEEDS OF THE COLLATERAL. | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | Address | | | | City | Province | Postal Code | | |

LAST PAGE

Note: All pages have been returned.

[BACK TO TOP](#)

[Privacy](#) 

[Accessibility](#) 

[Contact us](#) 

[FAQ](#) 

[Terms of Use](#) 

[© Queen's Printer for Ontario 2015](#) 

TAB F

This is Exhibit "F" referred to
in the affidavit of MaryLynn Borondy
subscribed and sworn to before me,
this 21 day of June 2024.

A handwritten signature in black ink, appearing to be "D. L. King", written over a horizontal line.

A commissioner for taking affidavits.

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Pioneer Balloon Canada Limited
 of the City of Hamilton, in the Province of Ontario

| List of Creditors with claims of \$250 or more. | | | |
|---|---|----------|--------------|
| Creditor | Address | Account# | Claim Amount |
| 1ST. RATE EXPRESS SERVICE | 13 Greenaway Avenue Hamilton ON L8L 6C3 | | 700.60 |
| Air Tech Services Inc. | 90 Milburn Road Stoney Creek ON L8E 3L9 | | 5,284.55 |
| Akron Dispersions | 3291 Sawmill Road Akron OH 44321 USA | | 13,619.02 |
| Alectra Utilities | P. O. Box 3700 Concord ON L4K 5N2 | | 141,160.33 |
| Amazon Business | PO Box 4283 Postal Station A Toronto ON M5W 5W6 | | 805.43 |
| American Color Technology, LLC | 908 NW Vesper St. Blue Springs MO 64015 USA | | 4,292.74 |
| Andicor Specialty Chemicals | #5-5865 McLaughlin Road Mississauga ON L5R 1B8 | | 45,744.70 |
| Artcraft Label Inc. | 5205 Harvester Road, Unit #6 Burlington ON L7L 6B5 | | 5,627.40 |
| Atlantic Packaging Products Lt | 111 Progress Avenue Atlanta ON M1P 2Y9 | | 25,836.64 |
| AutomationDirect.com, Inc. | PO Box 402417 Atlanta GA 30384-2417 USA | | 394.75 |
| Avient Corp. | Box 223554 Pittsburgh PA 15251-3554 USA | | 28,461.02 |
| Bass Paper & Packaging Ltd. | 4380 Harvester Road Burlington ON L7L 4X2 | | 1,867.61 |
| Beach Road Steel Sales | 1900 Brampton Street Hamilton ON L8H 3S5 | | 1,753.76 |
| Bell Canada | P.O. Box 9000 North York ON M3C 2X7 | | 2,363.87 |
| Binbrook Plumbing & Heating | 4045 Guyatt Road West Binbrook ON L0R 1C0 | | 2,000.10 |

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Pioneer Balloon Canada Limited
 of the City of Hamilton, in the Province of Ontario

| List of Creditors with claims of \$250 or more. | | | |
|---|---|----------|--------------|
| Creditor | Address | Account# | Claim Amount |
| Bolt & Nut Supply Ltd. | 384 Franklin Blvd. Cambridge ON N1R 5W7 | | 1,278.17 |
| Brenntag Canada Incorporated | 43 Jutland Road Etobicoke ON M8Z 2G6 | | 25,642.21 |
| BSI Group America Inc. | Dept CH 19307 Palatine IL 60055-9307 USA | | 532.48 |
| Canada Revenue Agency | PO Box 14000, Station Main Winnipeg MB R3C 3M2 | | 39,127.99 |
| Canada Revenue Agency | PO Box 14000, Station Main Winnipeg MB R3C 3M2 | | 339.24 |
| Canadian Bearings Limited | 1600 Drew Road Mississauga ON L5S 1S5 | | 25,963.22 |
| Caswell Maintenance | 1812 Sawmill Road Caledonia ON N3W 2G9 | | 2,453.23 |
| Catalyst Finance | 200-4145 North Service Rd Burlington ON L7L 6A3 | | 3,911.32 |
| Catalyst Finance | 200-4145 North Service Rd Burlington ON L7L 6A3 | | 3,911.32 |
| Chisholm Machinery Solutions | 5760 Valley Way, PO Box 245 Niagara Falls ON L2E 6T3 | | 884.59 |
| City Electric Supply | 249 Lake Avenue North Hamilton ON L8E 3B8 | | 1,813.28 |
| Clik-Clik Systems Inc. (CAN) | 218 Hachborn Rd. Brantford ON N3S 7W5 | | 6,761.69 |
| Commercial Oil | 35 Burford Road Hamilton ON L8E 3C6 | | 1,920.32 |
| Control Plastics | 1290 Trinity Drive Menlo Park CA 94025 USA | | 1,163.62 |
| Corrie MacColl N. America Inc. | 150 Boush Street, 8th Floor Norfolk VA 23510 USA | | 196,557.97 |

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Pioneer Balloon Canada Limited
 of the City of Hamilton, in the Province of Ontario

| List of Creditors with claims of \$250 or more. | | | |
|---|---|----------|--------------|
| Creditor | Address | Account# | Claim Amount |
| Crane Supply | 1755 Burlington Street East Hamilton ON L8H 3L5 | | 587.20 |
| CTI Calibration Technologies I | 920 N Tradewinds Parkway Columbia MO 65201 USA | | 580.29 |
| DeLage Landen Financial | 5046 Mainway Unit 1 Burlington ON L7L 5Z1 | | 4,788.24 |
| Electrical Safety Authority | 400 Sheldon Dr, Unit 1 Cambridge ON N1T 2H9 | | 1,783.14 |
| Embree Industries Limited | 151 Birge Street Hamilton ON L8L 7V4 | | 1,035.08 |
| Emergent Coils | 1685 S Colorado Blvd Unit S324 Denver CO 80222 USA | | 14,961.14 |
| Enbridge Gas Inc. | P.O. Box 2001 50 Keil Drive North Chatham ON N7M 5M1 | | 56,409.48 |
| Everworks Inc. | 354 MacNab Street Dundas ON L9H 2L2 | | 2,796.19 |
| Every Scale Limited | 3176 Ridgeway Dr., Unit # 60 Mississauga ON L5L 5S6 | | 1,226.05 |
| Expeditors Canada Inc. | 55 Standish Court, 11th Floor Mississauga ON L5R 4A1 | | 302.85 |
| Federal Express - CAN | P.O. Box 4626, Station A Toronto ON M5W 5B4 | | 4,068.70 |
| Fire Code | 642 Upper Horning Road Hamilton ON L9C 7R1 | | 847.50 |
| First Choice Pure Water Centra | P. O. Box 43042, Mavis Road Mississauga ON L5B 4A7 | | 3,051.00 |
| Fisher Scientific - Canada | C/O 915660 PO Box 4090 STN A Toronto ON M5W 0E9 | | 630.90 |
| Foilpack-Kalpakidou F&G O.E. | Neo Risio 57001 PO Box 113 Thessaloniki 57001 Greece | | 36,055.90 |

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Pioneer Balloon Canada Limited
 of the City of Hamilton, in the Province of Ontario

| List of Creditors with claims of \$250 or more. | | | |
|---|--|----------|--------------|
| Creditor | Address | Account# | Claim Amount |
| Franklin Empire | 350 Carlingview Drive Toronto ON M9W 5G6 | | 6,620.10 |
| Fueltec Combustion Corp. | 1-35 Sunnyside Ave. Stoney Creek ON L8E 5M9 | | 31,134.80 |
| GFL Environmental Inc. | PO Box 150 Concord ON L4K 1B2 | | 44,125.57 |
| Glanbrook Water Services Inc. | PO Box 93086-1450 Headon Road Burlington ON L7M 4A3 | | 467.82 |
| Globos Qualatex de Pioneer SA | Avenida Guadalajara No 101 Acatlan de Juarez 45713 Mexico | | 132,399.97 |
| GoCo Technology LP. | 151 North Rivermede Road Concord ON L4K 0C4 | | 506.19 |
| Hamilton Hydronics Limited | 358 Cumberland Avenue Hamilton ON L8M 2A2 | | 6,132.70 |
| Home Depot, The | PO Box 675, Station D Scarborough ON M1R 5T4 | | 1,378.94 |
| Industrial Hose and Hydraulics | 1227 Barton Street East Hamilton ON L8H 2V0 | | 637.37 |
| Jutzi Water Technologies | 525 Wright Boulevard Stratford ON N4Z 1H3 | | 9,040.00 |
| Kish Company Inc., The | P.O. Box 76158 Cleveland OH 44101-4755 USA | | 1,749.43 |
| Lawlor & Co. (Hamilton) Ltd. | 2727 Barton Street East Hamilton ON L8E 2J8 | | 3,543.70 |
| Liftow Limited | PO Box 8092, Stn A Toronto ON M5W 3W5 | | 2,659.26 |
| Lorama Group Inc. | 2695 Meadowvale Blvd Mississauga ON L5N 8A3 | | 2,582.48 |
| Marshall Truck Properties Inc. | 336 Kenora Avenue Hamilton ON L8E 2W2 | | 75,932.60 |

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Pioneer Balloon Canada Limited
 of the City of Hamilton, in the Province of Ontario

| List of Creditors with claims of \$250 or more. | | | |
|---|---|----------|--------------|
| Creditor | Address | Account# | Claim Amount |
| McMaster - Carr Supply | PO Box 7690 Chicago IL 60680-7690 USA | | 3,448.89 |
| National Leasing | 1525 Buffalo Place Winnipeg MB R3T 1L9 | | 830.21 |
| Niagara Pallet | 2906 South Grimsby Road # 8 Smithville ON L0R 2A0 | | 915.92 |
| Northern Prime Compressed Air | 166 Merrilee Crescent Hamilton ON L9A 5G3 | | 14,372.56 |
| Phifer Wire Products | P.O. Box 945823 Atlanta GA 30394-5823 USA | | 3,017.95 |
| Pioneer Balloon | 2400 Pioneer Drive El Dorado KS 67042 USA | | 915,828.25 |
| Polystar Packaging Inc. | 7975 Marco-Polo Montreal QC H1E 1N8 | | 26,173.71 |
| Praxair Inc. | P.O. Box 400, Station D Scarborough ON M1R 5M1 | | 4,005.16 |
| Preston, Phipps (1986) Inc. | 6400 Rue Vanden Abeele St. Laurent QC H4S 1R9 | | 6,048.92 |
| Purolator Courier | P.O. Box 4800 Stn Main Concord ON L4K 0K1 | | 1,209.36 |
| Purolator Freight | PO Box 4800 Stn Main Concord ON L4K 0K1 | | 4,435.97 |
| R. E. Glover Ltd. | P.O. Box 3458 STN LCD 1 Hamilton ON L8L 7X7 | | 462.53 |
| R.T. Vanderbilt Company, Inc. | P.O. Box 13030 Postal Station A Toronto ON M5W 1V7 | | 3,199.91 |
| Raymond Johnston Equipment | 5990 Avebury Road Mississauga ON L5R 3R2 | | 2,909.96 |
| RCAP Leasing | PO Box 67 Burlington ON L7R 3X8 | | 475.06 |

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Pioneer Balloon Canada Limited
 of the City of Hamilton, in the Province of Ontario

| List of Creditors with claims of \$250 or more. | | | |
|---|--|----------|--------------|
| Creditor | Address | Account# | Claim Amount |
| RJP Packaging Inc. | 1550 Yorkton Ct Unit 15 Burlington ON L7P 5B7 | | 699.47 |
| Royal Bank of Canada | 2nd Floor, 20 King Street W Toronto ON M6K 1H3 | | 2,140,000.00 |
| Royal Bank of Canada | 2nd Floor, 20 King Street W Toronto ON M6K 1H3 | | 18,246.71 |
| Royal Bank of Canada | 2nd Floor, 20 King Street W Toronto ON M6K 1H3 | | 85,196.67 |
| RPR Environmental | 164-166 South Service Road Stoney Creek ON L8E 3H6 | | 25,705.40 |
| RWAM Insurance Administrators | 49 Industrial Drive Elmira ON N3B 3B1 | | 52,254.19 |
| Screentec Corporation | 6685 Millcreek Drive Units 3-5 Mississauga ON L5N 5M5 | | 1,882.37 |
| Senna Sales Limited | 420 Main Street East Suite 701 Milton ON L9T 5G3 | | 6,103.92 |
| Shell Energy North America (Can) | P.O. Box 4684 Station "A" Toronto ON M5W 6B2 | | 59,132.28 |
| Shelley Automation | 41 Coldwater Road Toronto ON M3B 1Y8 | | 2,028.32 |
| Siu & Sons Int'l Trading Corpo | 2460 Viking Way Richmond BC V6V 1N2 | | 13,720.55 |
| SPAR Canada Company | 10 Planchet Road Unit 21 Vaughan ON L4K 2C8 | | 19,054.70 |
| Stage West Logistics Inc. | 1191 Eglinton Avenue East Mississauga ON L4W 0C2 | | 12,601.82 |
| Staples Advantage | PO Box 4446 Station A Toronto ON M5W 4A2 | | 423.68 |
| Sun Chemical Corporation | PO Box 2193 Carol Stream IL 60132-2193 USA | | 8,047.27 |

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Pioneer Balloon Canada Limited
 of the City of Hamilton, in the Province of Ontario

| List of Creditors with claims of \$250 or more. | | | |
|---|---|----------|--------------|
| Creditor | Address | Account# | Claim Amount |
| Tennant Sales and Service Comp | PO Box 57172 Toronto ON M5W 5M5 | | 534.49 |
| Tetra-Chem Industries Limited | 271 Ingersoll Street South Ingersoll ON N5C 3J7 | | 4,542.75 |
| Trade-Mark Industrial Inc. | 250 Royal Oak Road Cambridge ON N3E 0A4 | | 14,600.05 |
| TransPro Freight Systems Ltd. | 8600 Escarpment Way Milton ON L9T 0M1 | | 1,901.70 |
| TRCC (Tiarco) | PO Box 281995 Atlanta, GA 30384-1995 USA | | 22,714.02 |
| Trimac Transportation Services | 3215 12 St NE Calgary AB T2E 7S9 | | 27,122.02 |
| Tubefit Inc. | 260 Galaxy Boulevard Toronto ON M9W 5R8 | | 4,265.32 |
| Uline Shipping Supply (CAN) | Box 3500 RPO Streetsville Mississauga ON L5M 0S8 | | 11,723.04 |
| Univar Canada Limited | 64 Arrow Road Weston ON M9M 2L9 | | 50,223.94 |
| Universal Electric Services In | 1100 South Service Road Unit 105 Stoney Creek ON L8E 0C5 | | 5,672.60 |
| Videojet Canada Limited Partner | PO Box 4488 STN A Toronto ON M5W 4H1 | | 649.46 |
| VWR International Ltd. | P.O. Box 1137 Toronto ON M5L 1K1 | | 1,400.48 |
| Waste Connections of Canada Inc | 464 Rennie Street Hamilton ON L8H 3P5 | | 3,551.53 |
| Wm. Groves Limited | P.O. Box 47589 Centre Mall Hamilton ON L8H 7S7 | | 574.04 |
| Workplace Safety & insurance | P.O. Box 4115, Station A Toronto ON M5W 2V3 | | 7,056.26 |

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Pioneer Balloon Canada Limited
 of the City of Hamilton, in the Province of Ontario

| List of Creditors with claims of \$250 or more. | | | |
|---|--|----------|--------------|
| Creditor | Address | Account# | Claim Amount |
| Yale Industrial Trucks Inc. | 5335 John Lucas Drive Unit #5 Burlington ON L7L 6A8 | | 1,533.87 |
| Total | | | 4,630,705.04 |


 Ted R. Ramo President
 Pioneer Balloon Canada Limited
 Insolvent Person

TAB G

This is Exhibit "G" referred to
in the affidavit of MaryLynn Borondy
subscribed and sworn to before me,
this 21 day of June 2024.

A handwritten signature in black ink, appearing to read "L. H. Smith", is written over a solid horizontal line.

A commissioner for taking affidavits.

Harrison Pensa

LAWYERS

Timothy C. Hogan

Direct Line: (519)-661-6743
thogan@harrisonpensa.com

Law Clerk: Isabelle Stacey
Direct Line: (519) 850-5573
istacey@harrisonpensa.com

May 30, 2024

Via Registered & Regular Mail & E-mail – marylynnb@pioneerballoon.com & Alex.karnaos@pioneerballoon.com

Pioneer Balloon Canada Limited
333 Kenora Avenue North
Hamilton, ON L8E 2W3

Dear Sir/Ma'am,

**Re: Indebtedness of Pioneer Balloon Canada Limited to Royal Bank of Canada
(the "Bank")
Our File No. 202302**

We are the solicitors for the Bank with respect to loans provided to Pioneer Balloon Canada Limited (hereinafter collectively the "**Debtor**").

According to the Bank's records, the Debtor is indebted to the Bank as at May 28, 2024, in the total sum of \$2,326,892.89, including all interest to May 28, 2024, plus all accruing interest, and plus the Bank's costs of enforcement on a full indemnity basis (the "**Indebtedness**").

The Indebtedness is comprised of the following:

| | |
|---|------------------------------------|
| Revolving Demand Facility (ending in 001) (number subject to change) | \$2,201,665.01 (per diem \$488.63) |
| Visa (number subject to change) | \$17,945.50 (per diem \$9.83) |
| Lease Schedule #201000074955 (number subject to change) | \$107,282.38 |
| TOTAL | \$2,326,892.89 |

The Debtor is in default of certain agreements signed in favour of the Bank including, but not limited to, the following:

Harrison Pensa LLP

130 Dufferin Avenue, Suite 1101, P.O. Box 3237, London, Ontario N6A 4K3 Phone: 519.679.9660 Fax: 519.667.3362
harrisonpensa.com

1. Royal Bank of Canada Letter Agreement dated February 9, 2022, amended by the Amending Agreement dated March 31, 2023;
2. Royal Bank of Canada Master Lease Agreement dated May 6, 2019, and Leasing Schedule #201000074955 dated November 29, 2023; and,
3. General Security Agreement dated June 6, 2007.

On behalf of the Bank, we hereby demand payment of the Indebtedness owing by the Debtor together with interest thereon and all costs to the date of payment.

Failing payment within ten (10) days will result in the Bank taking such steps as it considers necessary or appropriate to recover payment of the Debtor's Indebtedness and to protect its interest.

We advise that no intermediate acts, negotiations, indulgences, acceptance of payments or any continuing credit or provision of banking services shall act as a waiver to the Bank's rights, or demand for payment as set out herein, unless so expressly stated in writing.

The Bank expressly reserves its rights to take such further steps to protect its interest at any time, without further notice to the Debtor, if the Bank becomes aware of any matter which may impair its security. In addition, the Bank reserves the right to restrict or cancel all facilities at any time with no further notice and to restrict the operation of any bank account(s) including placing same on deposit only.

Finally, also find attached to this letter our client's Notice of Intention to Enforce Security as well as the relevant consent to immediate enforcement of the Bank's security. By signing this consent, the Debtor waives the time period given by the Bank under this notice.

Yours truly,

HARRISON PENSA ^{LLP}

A handwritten signature in black ink, appearing to be 'TH' or 'TCH', with a stylized flourish.

Timothy C. Hogan
TCH/ist

Enclosure

NOTICE OF INTENTION TO ENFORCE SECURITY
(Section 244(1) of the *Bankruptcy and Insolvency Act*)

TO: Pioneer Balloon Canada Limited, an insolvent person

TAKE NOTICE THAT:

1. Royal Bank of Canada, a secured creditor, intends to enforce its security on the property of the insolvent person described as:

All collateral of the insolvent person as described in the following security and the proceeds from the sale of said collateral:

- a. General Security Agreement dated June 6, 2007; and,
- b. Royal Bank of Canada Master Lease Agreement dated May 6, 2019, and Leasing Schedule #201000074955 dated November 29, 2023.

The property to which the security relates includes all personal property and assets, including and not limited to, all book debts, inventory, and all attachments, fixtures, and equipment wherever located, all securities, cash and all other collateral however described of the above-noted insolvent person, including but not limited to all assets leased to the above-noted insolvent person, and the proceeds thereof.

2. The security that is to be enforced is in the form of:
 - a. General Security Agreement dated June 6, 2007; and,
 - b. Royal Bank of Canada Master Lease Agreement dated May 6, 2019, and Leasing Schedule #201000074955 dated November 29, 2023.
3. The total amount of indebtedness secured by the security is \$2,326,892.89 as at May 28, 2024, plus interest as set out in the agreements and plus the Bank's solicitor and client and professional costs on a full indemnity basis.
4. The secured creditor will not have the right to enforce its security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at London, Ontario this 30th day of May, 2024.

ROYAL BANK OF CANADA
by its solicitors, Harrison Pensa LLP



Per: _____
 TIMOTHY C. HOGAN
 Harrison Pensa LLP
 130 Dufferin Avenue, Suite 1101
 London, ON N6A 4K3
 (519) 661-6743

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

CONSENT
(s.244(2) of the *Bankruptcy and Insolvency Act*)

THE UNDERSIGNED hereby acknowledges receipt of a copy of Royal Bank of Canada's demand dated May 30, 2024, and the Notice of Intention to Enforce Security dated May 30, 2024, pursuant to s.244(1) of the *Bankruptcy and Insolvency Act* and hereby waives the 10 day period set out in the demand and notice and consents to the immediate enforcement Royal Bank of Canada's security.

DATED at _____, Ontario this _____ day of May, 2024.

PIONEER BALLOON CANADA LIMITED

Per: _____
I have authority to bind the corporation

TAB H

This is Exhibit "H" referred to
in the affidavit of MaryLynn Borondy
subscribed and sworn to before me,
this 21 day of June 2024.

A handwritten signature in black ink, appearing to read "L. H. King", is written over a solid horizontal line.

A commissioner for taking affidavits.

STALKING HORSE ASSET PURCHASE AGREEMENT

This Agreement is made as of June 20th, 2024 (the “**Effective Date**”)

AMONG:

PIONEER BALLOON CANADA LIMITED., a corporation incorporated pursuant to the laws of the Province of Ontario (the “**Vendor**”)

- and -

1488108 B.C. LTD., a corporation incorporated pursuant to the laws of the Province of British Columbia (the “**Purchaser**”)

RECITALS:

A. On June 12, 2024, the Vendor initiated proceedings (the “**NOI Proceedings**”) under the *Bankruptcy and Insolvency Act* R.S.C., 1985, c. B-3 (the “**BIA**”) by filing Notices of Intention to Make a Proposal under section 50.4(6) of the BIA. KPMG Inc. was appointed as the proposal trustee in the NOI Proceedings (in such capacity, the “**Proposal Trustee**”).

B. In connection with the NOI Proceedings, the Vendor intends to seek the approval of the Court to implement a sale process (the “**Sale Process**”) pursuant to which this Agreement will serve as the Stalking Horse Bid (as defined herein) to acquire the Purchased Assets (as defined herein).

C. In the event that this Agreement is selected as the Successful Bid (as defined herein) in the Sale Process, the Purchaser will acquire the Purchased Assets subject to, and in accordance with, the terms and conditions set forth in this Agreement and obtaining Court approval of the Transaction (as defined herein).

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the Parties hereby acknowledge and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless something in the subject matter or context is inconsistent therewith, the terms defined herein shall have the following meanings:

“**Affiliate**” has the meaning given to the term “affiliate” in the *Business Corporations Act*, R.S.O. 1990, c.B-16.

“**Agreement**” means this asset purchase agreement, as may be amended and restated from time to time in accordance with the terms hereof, with the consent of the Proposal Trustee, and “**Article**”, “**Exhibit**”, “**Schedule**”, and “**Section**” mean and refer to the specified article, section, exhibit, schedule, and subsection of this Agreement.

“**Applicable Law**” means, in respect of any Person, property, transaction or event, any: (i) domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order; (ii) judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings, instruments or awards of any Governmental Authority; and (iii) policies, practices, standards, guidelines and protocols

having the force of law, that applies in whole or in part to such Person, property, transaction or event.

“Approval and Vesting Order” means an order by the Court, in form and substance satisfactory to the Purchaser, acting reasonably, among other things, approving and authorizing this Agreement and the Transaction.

“Assigned Contracts” means the Contracts listed in Schedule “A”, as the same may be modified by the Purchaser prior to the Bidding Offer Deadline in accordance with the terms hereof (and including as such Assigned Contracts may be amended, restated, supplemented or otherwise modified from time to time).

“Assignment and Assumption Agreements” means the assignment and assumption agreements for the Assigned Contracts, in a form reasonably satisfactory to the Vendor and the Purchaser.

“Assignment Order” means an order of the Court assigning to the Purchaser the rights and obligations of the Vendor under the Assigned Contracts for which a consent, approval or waiver necessary for the assignment of such Assigned Contract has not been obtained, and which will include, if necessary, a mechanism for the resolution of any disputed Cure Costs.

“Assumed Liabilities” means: (a) Liabilities specifically and expressly designated by the Purchaser as assumed Liabilities in Schedule “B”, as the same may be modified by the Purchaser prior to the Bidding Offer Deadline in accordance with the terms hereof; and (b) all Liabilities which relate to the Business under any Assigned Contracts, solely in respect of the period from and after the Closing Time and not relating to any default existing prior to or as a consequence of Closing.

“BIA” has the meaning set out in the recitals hereto.

“Bidding Offer Deadline” has the meaning set out in the Sale Process.

“Books and Records” means all of the books and records relating to the Purchased Assets, including, without limitation, all personnel files/records relating to all Transferred Employees and sales books, records, books of account, sales and purchase records, lists of suppliers and customers, business reports, projections and all other documents, plans, files, records, correspondence, and other data and information, financial or otherwise, including all data, information and databases stored on computer-related or other electronic media, excluding any of the foregoing as applicable to any Excluded Asset;

“Break Fee” has the meaning set out in Section 5.1(b)(i).

“Business” means the business conducted by the Vendor, being a balloon manufacturer and distributor.

“Business Day” means a day on which banks are open for business in Toronto, Ontario, but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario.

“Cash Purchase Price” has the meaning set out in Section 4.3(b).

“Claims” means any civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, audit, chose in or cause of action, suit, default,

assessment, litigation, prosecution, third party action, arbitral proceeding or proceeding, complaint or allegation, by or before any Person.

“Closing” means the closing and consummation of the Transaction.

“Closing Date” means the date that is ten (10) days after the date upon which the conditions set forth in Article 8 have been satisfied or waived, other than any conditions set forth in Article 8 that by their terms are to be satisfied or waived at the Closing (or such other earlier or later date as may be agreed by the Vendor and the Purchaser in writing).

“Closing Time” means 12:01 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place.

“Contracts” means all pending and executory contracts, agreements, leases, understandings and arrangements (whether oral or written) to which any Vendor is a party, or by which such entity is bound or in which such entity has, or will at Closing have, any rights or by which any of its property or assets are or may be affected.

“Court” means the Ontario Superior Court of Justice (Commercial List).

“Cure Costs” means, in respect of the Assigned Contracts, all amounts, costs, fees and expenses: (i) required to be paid to remedy all of the Vendor’s monetary defaults in relation to the Assigned Contracts, other than those arising by reason only of the Vendor’s bankruptcy, insolvency or failure to perform a non-monetary obligation; (ii) necessary to secure a counterparty’s or any other necessary Person’s consent to the assignment of the Assigned Contracts; or (iii) as may be required pursuant to the Approval and Vesting Order or the Assignment Order, as applicable, and which for greater certainty, may be an amount agreed to by the Purchaser and the counterparty to an Assigned Contract, but specifically excluding the Assumed Liabilities.

“Deposit” has the meaning set out in Section 4.3(a).

“Discharge” means, in relation to any Encumbrance against any Person or upon any asset, undertaking or property, the full, final, irrevocable, complete and permanent waiver, release, discharge, cancellation, termination and extinguishment of such Encumbrance against such Person or upon such asset, undertaking or property and all proceeds thereof.

“Excluded Asset” has the meaning set out in Section 2.4 and includes the Excluded Assets specifically and expressly designated by the Purchaser as Excluded Assets in **Schedule “C”**.

“Excluded Liabilities” has the meaning set out in Section 2.5.

“Excluded Contracts” means all Contracts that are not Assigned Contracts.

“Effective Date” has the meaning set out in the preamble hereto.

“Employee” means any individual who is employed by a Vendor immediately prior to the Closing Date.

“Encumbrance” means any security interest, lien, Claim, charge, right of retention, deemed trust, judgement, writ of seizure, writ of execution, notice of seizure, notice of execution, notice of sale, hypothec, reservation of ownership, pledge, encumbrance, mortgage or right of a third party (including any contractual rights such as purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual right) or encumbrance of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming

any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease).

“**Excise Tax Act**” means the *Excise Tax Act*, R.S.C, 1985, c. E-15.

“**General Conveyance**” means a general conveyance evidencing the conveyance to the Purchaser of the Vendor’s interest in and to the Purchased Assets, in form and substance satisfactory to the Parties, acting reasonably.

“**Governmental Authority**” means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

“**GST**” means all goods and services tax imposed under Part IX of the *Excise Tax Act*.

“**Income Tax Act**” means the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.).

“**Intellectual Property**” means any or all of the following items, wherever located: all patents and patent rights, trademarks and trademark rights, trade names and trade name rights, service marks and service mark rights, service names and service name rights, copyrights and copyright rights, brand names, trade dress, business and product names, domain names, corporate names, logos, slogans, trade secrets, inventions, processes, recipes, formulae, industrial models, designs, specifications, data, technology, methodologies, computer programs (including all source code), confidential and proprietary information, whether or not subject to statutory registration, all related technical information, manufacturing, engineering and technical drawings, know how, all pending applications for and registrations of patents, trademarks, service marks and copyrights, including all obligations of third parties relating to the protection of the foregoing, the goodwill associated with the foregoing, and the right to sue for past payment, if any, in connection with any of the foregoing, and all documents, disks and other media on which any of the foregoing is stored.

“**Inventory**” means all inventories of stock-in-trade and merchandise, including raw materials, supplies, work-in-process, finished goods related to the Business (including those in possession of suppliers, customers and other third parties).

“**Lease**” means the lease agreement dated as of September 1, 2021, between the Vendor, as tenant, Marshall Truck Properties Inc., as landlord, relating to the premises located at 326 Kenora Avenue, Hamilton, Ontario.

“**Liability**” means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“**Licences and Permits**” means all licences, permits, filings, certificates, authorizations, approvals or indicia of authority Related to the Business or the Purchased Assets or necessary for the operation or use of the Purchased Assets.

“**NOI Proceedings**” has the meaning set out in the recitals hereto.

“Outside Date” means 11:59 pm (Toronto time) on July 31, 2024, or such later date and time as the Vendor and the Purchaser may agree to in writing.

“Parties” means the Vendor and the Purchaser, and **“Party”** means any one of them.

“Person” means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

“Personal Property” means all of the Vendor’s machinery, equipment, furniture, including, without limitation, desks, chairs, tables, copiers, telephone lines and numbers, telecopy machines and other telecommunication equipment, cubicles, cabinets, televisions, all computer hardware, including servers, computers and peripherals, printers and miscellaneous office furnishings and supplies, if any, laptops, cell phones and all other tangible personal property used in the Business, including all property subject to the Assigned Contracts

“Premises” means the premises leased by the Vendor pursuant to the Lease.

“Proposal Trustee” has the meaning set out in the recitals hereto.

“Proposal Trustee’s Certificate” has the meaning set out in Section 8.1(d).

“Purchased Assets” has the meaning set out in Section 2.1.

“Purchase Price” has the meaning set out in Section 4.1.

“Purchaser” means 1488108 B.C. LTD.

“Receivables” means the right, title and interest of the respective Vendor to all accounts receivable, bills receivable, trade accounts, book debts, insurance claims, and choses-in-action, now or hereafter due or owing to any of the Vendor, Related to the Business together with any unpaid interest accrued on such items and any security or collateral for such items, including recoverable deposits, attributable to the period prior to Closing;

“Related to the Business” means, directly or indirectly, used in, arising from, or relating in any manner to the Business or the Purchased Assets;

“Sale Process” has the meaning set out in the recitals hereto.

“Sale Process Order” means an issued order of the Court in the NOI Proceedings approving a Sale Process in respect of the Vendor’s assets, property and undertaking, including the Purchased Assets.

“Stalking Horse Bid” has the meaning set out in Section 5.1(a).

“Successful Bid” has the meaning set out in the Sale Process.

“Taxes” means, with respect to any Person, all national, federal, provincial, local or other taxes, including income taxes, capital gains taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers’

compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties.

“**Transaction**” the transaction contemplated by this Agreement whereby the Purchaser will acquire the Purchased Assets.

“**Transfer Taxes**” means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Purchased Assets, including GST.

“**Vendor**” mean Pioneer Balloon Canada Limited.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 General Construction

The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement and not to any particular section hereof. The expression “Section” or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.4 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term “including” means “including, without limitation,” and such terms as “includes” have similar meanings and the term “third party” means any other Person other than the Vendor or the Purchaser, or any Affiliates thereof.

1.5 Currency

All references in this Agreement to dollars, monetary amounts, or to \$, are expressed in Canadian currency unless otherwise specifically indicated.

1.6 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

1.7 Schedules & Amendments to Schedules

The following exhibits and schedules are attached hereto and incorporated in and form part of this Agreement:

SCHEDULES

Schedule A - Assigned Contracts

Schedule B - Specific Assumed Liabilities

The Parties acknowledge that as of the Effective Date, the Schedules are not complete. The Purchaser shall be entitled to revise the Schedules after the Effective Date, provided that such Schedules must be complete and final on or before the Bidding Offer Deadline. Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement will apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2 PURCHASE AND SALE OF PURCHASED ASSETS

2.1 Purchase and Sale of Purchased Assets

At the Closing Time, subject to the terms and conditions of this Agreement, the Vendor shall sell, assign, transfer and convey to the Purchaser pursuant to the Approval and Vesting Order and the Assignment Order, if applicable, and the Purchaser shall purchase and assume from the Vendor, all of the Vendor's right, title and interest in and to the following tangible and intangible assets (collectively, the "**Purchased Assets**"):

- (a) the Assigned Contracts identified and enumerated in Schedule "A" hereto;
- (b) the Personal Property;
- (c) the Receivables;
- (d) the Inventory;
- (e) the Intellectual Property;
- (f) the Books and Records;
- (g) the Licenses and Permits;
- (h) all rights and interests under or pursuant to all warranties, representations and guarantees, express implied or otherwise, of or made by suppliers or others in connection with the Purchased Assets or otherwise Related to the Business,
- (i) all goodwill and other intangible assets associated with the Business, including abut not limited to all telephone and fax numbers, all email addresses and servers, and all social media accounts and platforms used in or otherwise Related to the Business; and
- (j) all other property, assets and undertaking of the Vendor used in or relating to the Business of whatsoever nature or kind, including without limitation all property, assets and undertaking of the Vendor,

other than Excluded Assets.

2.2 Transfer of Purchased Assets and Assumption of Liabilities

Subject to the terms and conditions of this Agreement, possession, risk, legal and beneficial ownership of the Purchased Assets shall transfer from the Vendor to the Purchaser on the Closing Date, and the Purchaser agrees to assume, discharge, perform and fulfill all of the Assumed Liabilities from and after the Closing Date. For certainty, the Purchaser is not assuming any Liabilities of the Vendor other than the Assumed Liabilities and shall have no liability to any Person therefor.

2.3 Assigned Contracts

- (a) From and after the date hereof until the Bidding Offer Deadline, the Purchaser shall be entitled to make additions, deletions and modifications to the Contracts classified as “Assigned Contracts”, in its sole discretion. For greater certainty: (i) any Assigned Contract subsequently designated by the Purchaser as an Excluded Contract after the date of this Agreement shall be deemed to no longer be an Assigned Contract, and shall be an Excluded Contract; and (ii) any Contract subsequently designated by the Purchaser as an Assigned Contract after the date of this Agreement shall be deemed an Assigned Contract for the purposes of this Agreement.
- (b) Each of the Parties shall use reasonable commercial efforts to obtain, as may be required by the terms of such Assigned Contracts, all consents and approvals required to assign the Assigned Contracts to the Purchaser.
- (c) To the extent that any Assigned Contract is not assignable without the consent or approval of the counterparty or any other Person, and such consent or approval has not been obtained prior to the Bidding Offer Deadline, and this Agreement represents the Successful Bid: (i) the Vendor’s interest in, to and under such Assigned Contract may be conveyed to the Purchaser pursuant to the Assignment Order; (ii) the Vendor will use commercially reasonable efforts to obtain an Assignment Order in respect of such Assigned Contract on or prior to the Closing Date; and (iii) if an Assignment Order is obtained in respect of such Assigned Contract, the Purchaser shall accept the assignment of such Assigned Contract on such terms.
- (d) To the extent that any Cure Costs are payable with respect to any Assigned Contract, the Purchaser shall be responsible for and shall pay all such Cure Costs, which shall be paid either directly to the applicable counterparty or to the Proposal Trustee, as may be agreed to by the parties, which Cure Costs shall be in addition to the Purchase Price. Unless the Parties otherwise agree, to the extent that any Cure Cost is payable with respect to any Assigned Contract, where such Assigned Contract is assigned pursuant to an Assignment Order, the Purchaser shall pay such Cure Costs in accordance with the Assignment Order, and where such Assigned Contract is not assigned pursuant to an Assignment Order, the Purchaser shall pay such Cure Costs in the manner set out in the consent of the applicable counterparty or as otherwise may be agreed to by the Purchaser and such counterparty.
- (e) The Vendor shall be entitled to disclaim or seek to disclaim any Excluded Contracts.
- (f) It shall be the sole obligation of the Purchaser, at the Purchaser’s sole cost and expense, to provide any and all financial assurances, deposits or security, including without limitation any Cure Costs that may be required by Governmental Authorities or any third parties to permit the transfer of the Purchased Assets, including the Assigned Contracts, to the Purchaser.

2.4 Excluded Assets

Any assets not identified as Purchased Assets hereto shall be deemed excluded assets (“**Excluded Assets**”) and shall not pass to the Purchaser and for certainty, all Excluded Assets set forth in Schedule C shall be removed from the Premises at the Vendor’s cost.

Save and except as otherwise expressly set out herein, the Purchaser may, at its option, exclude any of the Purchased Assets from the Transaction at any time prior to Closing by delivering to the Vendor and the Proposal Trustee written notice of the same, whereupon such asset(s) shall become Excluded Assets and shall be deemed to no longer form part of the Purchased Assets, provided, however, that there shall be no reduction in the Purchase Price as a result of such exclusion.

2.5 Excluded Liabilities

Save and except for the Assumed Liabilities explicitly set out herein, if any, the Purchaser is not assuming, and shall not be deemed to have assumed, any Liabilities of the Vendor (collectively, the “**Excluded Liabilities**”), which Excluded Liabilities include, but are not limited to, the following:

- (a) all Liabilities and Claims arising or accruing from the use of, or in any way related to, the Excluded Assets;
- (b) all Liabilities and Claims arising or accruing from the use of the Purchased Assets prior to the Closing; and
- (c) all Liabilities that arise out of or result from the employment or engagement by the Vendor of any of the Employees (unless otherwise imposed by Applicable Laws) and/or the termination or severance of such engagement or employment.

ARTICLE 3 EMPLOYEE MATTERS

3.1 Employment Offers

The Purchaser intends to offer new employment to the majority of the Employees, conditional upon Closing. Which Employees shall be offer such new employment shall be determined by the Purchaser, in its sole discretion. Any such offer shall be made at least two (2) Business Days prior to Closing, on terms and conditions substantially similar and no less favourable than the terms and conditions on which such Employees are employed immediately prior to Closing.

3.2 Employment Terminations

Notwithstanding the foregoing, the Vendor shall terminate, in writing, the employment of all Employees immediately prior to the Closing Time and shall provide proof of such written termination to the Purchaser as a deliverable at Closing.

ARTICLE 4 PURCHASE PRICE

4.1 Purchase Price

The purchase price payable by the Purchaser for the Purchased Assets shall be (i) \$2,300,000, minus (ii) the Cure Costs, if any, plus (iii) the Assumed Liabilities (the “**Purchase Price**”). The Purchase Price shall

be satisfied in accordance with Section 4.3. For certainty, the Purchaser may increase the Purchase Price at any time up until the Bidding Offer Deadline upon notice to the Vendor in accordance with the Sale Process. At the Closing Time, the Purchaser further agrees that if it is assuming the Lease, it shall pay Marshall Truck Properties Inc. a deposit of \$53,000¹ in connection with the Assumed Liabilities.

4.2 Allocation of Purchase Price

The Purchaser and the Vendor agree that the Purchase Price and the Assumed Liabilities shall be allocated among the Purchased Assets for all purposes (including Tax and financial accounting) as agreed between the Vendor and the Purchaser on Closing, acting reasonably.

4.3 Satisfaction of Purchase Price

The Purchaser shall pay and satisfy the Purchase Price in accordance with the following:

- (a) Deposit. Concurrently with execution and delivery of this Agreement, the Purchaser shall deliver to the Proposal Trustee a deposit in the amount of \$230,000, in immediately available funds, to be dealt with in accordance with the terms hereof and credited against the Purchase Price at Closing (the “**Deposit**”).
- (b) Cash Purchase Price. At the Closing Time, the Purchaser shall pay to the Proposal Trustee the balance of the Purchase Price, being \$2,070,000, less an amount equal to the Cure Costs, in immediately available funds (the “**Cash Purchase Price**”).
- (c) Cure Costs. At the Closing Time, the Purchaser shall pay the Cure Costs as directed by the parties to the Assigned Contracts entitled to such Cure Costs.
- (d) Assumed Liabilities. An amount equal to the value of the Assumed Liabilities, which the Purchaser shall assume on the Closing Date, shall be satisfied by the Purchaser performing the Assumed Liabilities as and when they become due.

4.4 Transfer Taxes

The Parties agree that:

- (a) The Purchase Price does not include Transfer Taxes and the Purchaser shall be liable for and shall pay any and all Transfer Taxes pertaining to the Purchaser’s acquisition of the Purchased Assets.
- (b) Except where the Vendor is required under Applicable Law to collect or pay such Transfer Taxes, the Purchaser shall pay such Transfer Taxes directly to the appropriate Governmental Authority or other entity within the required time period and shall file all necessary documentation with respect to such Transfer Taxes when due. The Vendor will do and cause to be done such things as are reasonably requested to enable the Purchaser to comply with such obligation in a timely manner. If the Vendor is required under Applicable Law to pay any such Transfer Taxes which are not paid by the Purchaser at Closing, the Purchaser shall promptly reimburse the Vendor the full amount of such Transfer Taxes upon delivery to the Purchaser of copies of receipts showing payment of such Transfer Taxes.
- (c) At the Closing, the Vendor and the Purchaser shall, if applicable, jointly execute an election under Section 167 of the *Excise Tax Act* to cause the sale of the Purchased Assets to take place on an HST-free basis under Part IX of the *Excise Tax Act* and the Purchaser shall

¹ Exact amount required for the deposit to be confirmed and equal to one month of rent.

file such election with its HST return for the applicable reporting period in which the sale of the Purchased Assets takes place.

- (d) At the Closing, if so requested by the Purchaser, the Vendor and the Purchaser shall, if applicable, jointly execute:
 - (i) an election under Section 22 of the *Income Tax Act* in respect of the Receivables and shall each file such election with their respective tax returns for their respective taxation years that include the Closing Date; and
 - (ii) an election to under subsection 20(24) of the *Income Tax Act*, and any equivalent or corresponding provision under applicable provincial or territorial tax legislation, apply to the obligations of the Vendor in respect of undertakings which arise from the operation of the business to which the Purchased Assets relate and to which paragraph 12(1)(a) of the *Income Tax Act* applies.
- (e) The Purchaser shall indemnify the Vendor for, from and against any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) that the Vendor may pay or for which the Vendor may become liable as a result of any failure by the Purchaser to pay or remit such Transfer Taxes.

ARTICLE 5 SALE PROCESS, DEPOSIT REPAYMENT

5.1 Sale Process and Deposit Repayment

- (a) The Vendor shall conduct the Sale Process in accordance with the terms of the issued Sale Process Order. The Vendor shall bring a motion for the Sale Process Order to be heard no later than July 5, 2024, subject to the Court’s availability or such other date as the Parties may agree to in writing. The Sale Process Order shall recognize the within offer by the Purchaser and the Purchase Price: (i) as a baseline or “stalking horse bid” in respect of the Purchased Assets (the “**Stalking Horse Bid**”); and (ii) as a deemed “Qualified Bid”, with an attendant right on the part of the Purchaser to participate as a bidder in any Auction (as defined in the Sale Process). The Purchaser acknowledges and agrees that the aforementioned process is in contemplation of determining whether a superior bid can be obtained for the Purchased Assets, and that the within Stalking Horse Bid may or may not be the Successful Bid for the Purchased Assets.
- (b) In consideration for the Purchaser’s expenditure of time and money and agreement to act as the initial bidder through the Stalking Horse Bid, and the preparation of this Agreement, and in performing due diligence pursuant to this Agreement, and subject to Court approval, the Purchaser shall be entitled to
 - (i) a break-fee in the amount of \$75,000,
 - (ii) plus an amount required to reimburse for the Purchaser for its legal fees and costs up to \$25,000,
 (the “**Break Fee**”)

which shall only be payable in the in the event that the Stalking Horse Bid is not the Successful Bid. If payable, the Break Fee shall be paid to the Purchaser as soon as practicable following the closing of the transaction contemplated by the Successful Bid.

- (c) In the event that the Stalking Horse Bid is not the Successful Bid, in addition to the Break Fee, the Purchaser shall be entitled to repayment in full of the Deposit, which shall be released to the Purchaser as soon as practicable following the Court granting the Approval and Vesting Order in respect of the Successful Bid.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of the Vendor

The Vendor hereby represent and warrant as of the date hereof and as of the Closing Time as follows, and acknowledge that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Incorporation and Status. The Vendor is a corporation incorporated and existing under the *Business Corporations Act* (Ontario), is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement and to own or lease and to operate and use the Purchased Assets and to carry on the Business as now conducted by the Vendor.
- (b) Corporate Authorization. The execution, delivery and, subject to obtaining the Approval and Vesting Order in respect of the matters to be approved therein, performance by the Vendor of this Agreement has been authorized by all necessary corporate action on the part of the Vendor.
- (c) Residency. The Vendor is not a non-resident of Canada for purposes of the *Income Tax Act* or the *Excise Tax Act*, as applicable.

6.2 Representations and Warranties of the Purchaser

The Purchaser hereby represents and warrants to and in favour of the Vendor as of the date hereof and as of the Closing Time, and acknowledges that the Vendor is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Incorporation and Status. The Purchaser is a corporation incorporated and existing under the laws of the Province of British Columbia, is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.
- (c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the organizational documents of the Purchaser.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.

- (e) Proceedings. There are no proceedings pending, or to the knowledge of the Purchaser, threatened, against the Purchaser before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (f) Residency. The Purchaser is not a non-resident of Canada for purposes of the *Income Tax Act*.

6.3 As is, Where is

- (a) The Purchaser acknowledges and agrees that it has conducted to its satisfaction an independent investigation and verification of the Business, the Purchased Assets (including the state of title thereto and/or the state of any Encumbrances and permitted Encumbrances), the Assumed Liabilities and all related operations of the Vendor, and, based solely thereon, has determined to proceed with the Transaction contemplated by this Agreement. The representations and warranties of the Vendor shall merge on Closing and shall thereafter be of no further force and effect. The Purchaser acknowledges, agrees and confirms that, at the Closing Time, the Purchased Assets shall be sold and delivered to the Purchaser on an “*as is, where is*” basis, subject only to the representations and warranties contained herein. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever.
- (b) The Purchaser has received a copy of any Assigned Contracts and is familiar with the terms, agreements, covenants, obligations and conditions therein. The Purchaser shall be solely responsible for negotiating with and attempting to obtain the agreement of any landlord to amend any lease contemplated to be an Assigned Contract, including the Lease, as may be required by the Purchaser to allow the Purchaser to use the respective Premises for any purpose. For greater certainty, such amendments are not a Closing delivery or a condition of Closing. For further certainty, the foregoing does not modify the condition to Closing that the Assigned Contracts be assigned to the Purchaser.
- (c) The Purchaser acknowledges that the applicable Assigned Contract (that is, a lease) may be subject to permitted Encumbrances and the applicable Vendor shall not be responsible for rectifying any permitted Encumbrances prior to the Closing Date, other than as contemplated by this Agreement.
- (d) The remedies expressly set forth in this Agreement are the Purchaser’s sole and exclusive remedies relating to this Agreement, the Transaction contemplated hereby, the Purchased Assets, the Assumed Liabilities and all related operations of the Vendor or any of them.
- (e) The Purchaser acknowledges and agrees that the enforceability of this Agreement against the Vendor is subject to entry of the Approval and Vesting Order.

ARTICLE 7 CLOSING ARRANGEMENTS

7.1 Closing

Closing shall take place on the Closing Date effective as of the Closing Time electronically (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format.

7.2 Vendor's Closing Deliveries

At or before the Closing Time, the Vendor shall deliver or cause to be delivered to the Purchaser the following:

- (a) a true copy of the Approval and Vesting Order, as issued and entered by the Court;
- (b) a true copy of the Assignment Order, if applicable, as issued and entered by the Court, or copies of all signed consents required in connection with the Assigned Contracts;
- (c) the tax elections contemplated by Section 4.4, as applicable;
- (d) the Assignment and Assumption Agreements for the Assigned Contracts, duly executed by the applicable Vendor;
- (e) the General Conveyance, duly executed by the Vendor;
- (f) a specific assignment of any Intellectual Property, including trademarks, as the Purchaser may require;
- (g) proof of the written termination by the Vendor of the employment of all of the Employees prior to the Closing Time;
- (h) all usernames,
- (i) passwords, passcodes and other login information related to any internet domain names, websites, telephone and facsimile numbers, email addresses and servers, and social media accounts used by the Vendor, along with copies of any contract, agreement or understanding related thereto;
- (j) a certificate of an officer of each Vendor dated as of the Closing Date confirming that all of the representations and warranties of the Vendor contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Vendor has performed in all material respects the covenants to be performed by them prior to the Closing Time; and
- (k) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

7.3 Purchaser's Closing Deliveries

At or before the Closing, the Purchaser shall deliver or cause to be delivered to the Vendor (or to the Proposal Trustee, as applicable), the following:

- (a) payment of the Cash Purchase Price in immediately available funds;
- (b) as applicable, payment of all Transfer Taxes payable on Closing to the Vendor or the Proposal Trustee, as applicable (or evidence of payment by the Purchaser thereof to the relevant Governmental Authorities) in accordance with Section 4.4; OR, the tax elections contemplated by Section 4.4, as applicable;
- (c) the payment of all Cure Costs to be paid by the Purchaser pursuant to Section 2.3 to the Vendor or the Proposal Trustee, or evidence that such Cure Costs have been or will be paid directly to the applicable counterparty;
- (d) the General Conveyance, duly executed by the Purchaser;
- (e) the Assignment and Assumption Agreements for the Assigned Contracts, duly executed by the Purchaser;
- (f) a certificate of an officer of the Purchaser dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all material respects the covenants to be performed by it prior to the Closing Time; and
- (g) such other agreements, documents and instruments as may be reasonably required by the Vendor to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

ARTICLE 8 CONDITIONS OF CLOSING

8.1 Conditions Precedent in favour of the Parties

The obligation of the Parties to complete the Transaction is subject to the following joint conditions being satisfied, fulfilled or performed on or prior to the Closing Date:

- (a) Approval and Vesting Order. The Court shall have issued and entered the Approval and Vesting Order, which Approval and Vesting Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.
- (b) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise in effect that restrains or prohibits the completion of the Transaction; and
- (c) No Restraint. No motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.
- (d) Proposal Trustee's Certificate. The Proposal Trustee shall have provided an executed certificate of the Proposal Trustee substantially in the form attached to the Approval and Vesting Order (the “**Proposal Trustee's Certificate**”) confirming that all other conditions to Closing have either been satisfied or waived by both the Purchaser and the Vendor.

The foregoing conditions are for the mutual benefit of the Parties. If any condition set out in Section 8.1 is not satisfied, performed or mutually waived on or prior to the Outside Date, any Party may elect on written notice to the other Parties to terminate this Agreement.

8.2 Conditions Precedent in favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

- (a) Successful Bid. This Agreement shall have been designated as the Successful Bid in accordance with the terms of the Sale Process.
- (b) Assignment Order/Assignment of Assigned Contracts. The Court shall have issued and entered the Assignment Order, which Assignment Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably; OR, the Purchaser shall be otherwise satisfied, in its sole discretion, with the assignment of the Assigned Contracts and the status of any required consent.
- (c) Vendor's Deliverables. The Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 7.2.
- (d) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Section 6.1 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (e) No Breach of Covenants. The Vendor shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by the Vendor on or before the Closing Date.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 8.2 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set forth in this Section 8.2 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Vendor, with a copy to the Proposal Trustee, to terminate this Agreement.

8.3 Conditions Precedent in favour of the Vendor

The obligation of the Vendor to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

- (a) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at the Closing all the documents and payments contemplated in Section 7.3.
- (b) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 6.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.

- (c) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition in this Section 8.3 may be waived by the Vendor in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing. If any condition set forth in this Section 8.3 is not satisfied or performed on or prior to the Outside Date, the Vendor may elect on written notice to the Purchaser to terminate the Agreement.

8.4 Proposal Trustee's Certificate

The Parties acknowledge and agree that the Proposal Trustee shall be entitled to deliver to the Purchaser, and file with the Court, the executed Proposal Trustee's Certificate without independent investigation, upon receiving written confirmation from the Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Proposal Trustee shall have no Liability to the Parties in connection therewith. The Parties further acknowledge and agree that upon written confirmation from both Parties that all conditions of Closing in favour of such Party have been satisfied or waived, the Proposal Trustee may deliver the executed Proposal Trustee's Certificate to the Purchaser's counsel in escrow, with the sole condition of its release from escrow being the Proposal Trustee's written confirmation that all such funds have been received, the Proposal Trustee's Certificate will be released from escrow to the Purchaser, and the Closing shall be deemed to have occurred.

ARTICLE 9 TERMINATION

9.1 Grounds for Termination

This Agreement may be terminated on or prior to the Closing Date:

- (a) by the mutual written agreement of the Vendor (with the consent of the Proposal Trustee) and the Purchaser;
- (b) by the Purchaser upon written notice to the Vendor if there has been a material breach by the Vendor of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser and, if the breach is curable, such breach has not been cured within five (5) Business Days following the date upon which the Purchaser notified the Vendor of such breach;
- (c) by the Vendor (with the consent of the Proposal Trustee) upon written notice to the Purchaser if there has been a material breach by the Purchaser of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendor and, if the breach is curable, such breach has not been cured within five (5) Business Days following the date upon which the Vendor notified the Purchaser of such breach; or
- (d) by the Vendor (with the consent of the Proposal Trustee) or the Purchaser upon written notice to the other Parties if the Closing has not occurred on or prior to the Outside Date; provided that the failure to close by such deadline is not caused by a breach of this Agreement by the Party proposing to terminate the Agreement.

9.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 9.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder; except for the provisions of: (a) this Section 9.2; and (b) Section 5.1 with respect to the Purchaser's entitlement to the Break Fee and Deposit Repayment. Notwithstanding the foregoing, if the Transaction is terminated solely as a result of the Vendor's failure to perform any of its obligations under this Agreement, then the Deposit shall be repaid to the Purchaser in full, without deduction or setoff. If the Transaction is terminated solely as a result of the Purchaser's failure to perform any of its obligations under this Agreement, the Deposit and any other payments made by the Purchaser will be forfeited to the Vendor on account of its liquidated damages, and the Purchased Assets may be resold by the Vendor.

10.1 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered by read-receipted email, addressed:

- (a) in the case of the Purchaser, as follows:

c/o Clark Wilson LLP
885 W Georgia St #900, Vancouver, BC V6C 3H1
Attention: A. M. Will
Email: gdlv326@aol.com

with a copy to Purchaser's Counsel:

WeirFoulds LLP
66 Wellington St W Suite 4100
Toronto, ON M5K 1B7

Attention: Philip Cho
Email: pcho@weirfoulds.com

- (b) in the case of the Vendor as follows:

Pioneer Balloon Canada Limited
333 Kenora Ave.
Hamilton, ON L8E 2W3

Attention: MaryLynn Borondy
Email: marylynnb@pioneerballoon.com

with a copy to:

Loopstra Nixon LLP
130 Adelaide Street West – Suite 2800
Toronto, Ontario M5H 3P5

Attention: Graham Phoenix
Email: gphoenix@LN.law

- (c) in each case, with a further copy to the Proposal Trustee as follows:

KPMG Inc.

333 Bay Street, #4600
Toronto, Ontario M5H 2S5

Attention: Pritesh Patel

Email: pritchpatel@kpmg.ca

with a copy to the Proposal Trustee's counsel:

Borden Ladner Gervais LLP

Bay Adelaide Centre, East Tower
22 Adelaide St. W
Toronto, ON, Canada
M5H 4E3

Attention: Alex MacFarlane

Email: AMacfarlane@blg.com

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission. In the case of a communication by email or other electronic means, if an autoreply is received indicating that the email is no longer monitored or in use, delivery must be followed by the dispatch of a copy of such communication pursuant to one of the other methods described above; provided however that any communication originally delivered by electronic means shall be deemed to have been given on the date stipulated above for electronic delivery.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party. A Person may change its address for service by notice given in accordance with the foregoing and any subsequent communication must be sent to such Person at its changed address.

10.2 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties.

10.3 Survival

The representations and warranties of the Parties contained in this Agreement shall merge on Closing, provided that the representations, warranties and covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

10.4 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

10.5 Entire Agreement

This Agreement and the Exhibits and Schedules attached hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by the Vendor and the Purchaser.

10.6 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

10.7 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the exclusive jurisdiction of the Court, and any appellate courts of the Province of Ontario therefrom.

10.8 Assignment

- (a) This Agreement may be assigned by the Purchaser prior to the issuance of the Approval and Vesting Order, in whole or in part, without the prior written consent of the Vendor or the Proposal Trustee, provided that: (i) such assignee is a related party or subsidiary of the Purchaser; (ii) the Purchaser provides prior notice of such assignment to the Vendor and the Proposal Trustee; and (iii) such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment; provided, however, that any such assignment shall not relieve the Purchaser of its obligations hereunder.
- (b) This Agreement may not be assigned by the Vendor without the consent of the Purchaser.

10.9 Further Assurances

Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

10.10 Counterparts

This Agreement may be executed and delivered electronically in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

10.11 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

10.12 Proposal Trustee's Capacity

In addition to all of the protections granted to the Proposal Trustee under the BIA or any order of the Court in this NOI Proceeding, the Vendor and the Purchaser acknowledge and agree that the Proposal Trustee,

acting in its capacity as Proposal Trustee of the Vendor and not in its personal capacity, is not a signatory to this Agreement and will have no Liability, in its personal capacity or otherwise, in connection with this Agreement or the Transaction contemplated herein whatsoever as Proposal Trustee.

[Signature Page Follows]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

For the Vendor:

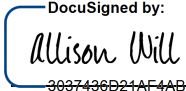
PIONEER BALLOON CANADA LIMITED.,

By: Marilynn Borondy
Name: MARILYN BORONDY
Title: Authorizing Signing Authority

I have authority to bind the Corporation.

For the Purchaser:

1488108 B.C. LTD.

By:  DocuSigned by:
Allison Will
3037436D21AF4AB...
Name: A. M. Will
Title: Authorized Signing Authority
I have authority to bind the Corporation.


SCHEDULE "A"
ASSIGNED CONTRACTS

1. The Lease

2. 


[To be completed / confirmed prior to the Bidding Offer Deadline]

SCHEDULE "B"
SPECIFIC ASSUMED LIABILITIES

1. All obligations and liabilities under the Lease and other Assigned Contracts, but excluding Cure Costs.
2. All obligations and liabilities to any Employees hired by the Purchaser in respect of, arising from or connected to the period from and after Closing, if any.
3. 

[To be completed / confirmed prior to the Bidding Offer Deadline]

SCHEDULE "C"
SPECIFIC EXCLUDED ASSETS

1. All latex waste and other assets identified as waste located at the Premises.
2. 

[To be completed / confirmed 2 Business Days prior to Closing.]

TAB I

This is Exhibit "I" referred to
in the affidavit of MaryLynn Borondy
subscribed and sworn to before me,
this 21 day of June 2024.

A handwritten signature in black ink, appearing to read "L. K. King", is written over a solid horizontal line.

A commissioner for taking affidavits.

Schedule A

Bidding Procedures for the Sale Process

INTRODUCTION

1. On June 12, 2024 (the “**Filing Date**”), Pioneer Balloon Canada Limited (the “**Vendor**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”, and the proceedings, the “**NOI Proceedings**”).
2. KPMG Inc., a licensed insolvency trustee, was appointed as the Trustee acting *in re* the proposal of the Vendor (the “**Trustee**”) under the NOI Proceedings.
3. In connection with the NOI Proceedings, the Vendor will apply to the Ontario Superior Court of Justice, Commercial List (the “**Court**”), for an order (the “**Sale Process Order**”), among other things, authorizing the Trustee, with the assistance of the Vendor’s management team, to undertake a sale process (“**Sale Process**”) for the sale of the Vendor’s (A) property, assets and undertaking or shares in the capital of one or more of the Debtors (collectively, the “**Property**”), including liquidation offers for the Debtors’ inventory and equipment, and/or (B) business operations (the “**Business**”). The Sale Process will be conducted by the Trustee in the manner set forth herein and in accordance with the Sale Process Order.
4. Among other things, the Sale Process Order will also: (a) approve the procedures set out in this Schedule (the “**Bidding Procedures**”) for the solicitation of offers or liquidation proposals (each, a “**Bid**”) for the acquisition of the Property and the Business or some portion thereof; and (b) approve the form of stalking horse agreement (as same may be amended from time to time pursuant to its terms and the Sale Process Order, the “**Stalking Horse Agreement**”) to be entered into between Pioneer Balloon Canada Limited, as Vendor, and 1488108 B.C. Ltd. (the “**Stalking Horse Bidder**”), as purchaser, for the purposes of serving as the stalking horse bid in the Sale Process (the “**Stalking Horse Bid**”). For the avoidance of doubt, the implementation of the transactions contemplated by the Stalking Horse Agreement are conditional upon the Stalking Horse Bid being selected as a Successful Bid (as defined below) in accordance with the Bidding Procedures and Court approval of the Stalking Horse Agreement and the transactions contemplated therein on a subsequent motion to be brought by the Vendor following the completion of the Sale Process.

Bidding Procedures

Opportunity

5. The Sale Process is intended to solicit interest in and opportunities for a sale of all or part of the Vendor’s Property and Business (the “**Opportunity**”). The Opportunity may include a sale of all, substantially all or one or more components of the Vendor’s Property and Business as a going concern or otherwise.
6. Any sale of any of the Property and the Business will be on an “*as is, where is*” basis and without surviving representations or warranties of any kind, nature, or description by the

Trustee, the Vendor or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Vendor in and to the Property to be acquired will be sold free and clear of, *inter alia*, all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, except as otherwise provided in such Court orders and definitive documents.

7. The Stalking Horse Agreement constitutes a Binding Offer (as defined below) by the Stalking Horse Bidder (which constitutes a Binding Offer Bidder (as defined below)) for all purposes and at all times under this Sale Process and will serve as the Stalking Horse Bid for purposes of this Sale Process and the Bidding Procedures and have the right to participate in the Auction (as defined below), if any. A copy of the Stalking Horse Agreement will be made available to all Qualified Bidders (as defined below) and a form of such purchase agreement, to be uploaded to the VDR (as defined below), may be used as the basis for any Binding Offer made in the Sale Process.
8. The Bidding Procedures describe the manner in which prospective bidders may gain access to due diligence materials concerning the Vendor, the Property and the Business, the manner in which bidders may participate in the Sale Process, the requirement of and the receipt and negotiation of bids received, the ultimate selection of a Successful Bidder (as defined below) and the requisite approvals to be sought from the Court in connection therewith.
9. Subject to paragraph 27 below, the Trustee, in consultation with the Vendor, may at any time and from time to time, modify, amend, vary or supplement the Bidding Procedures, without the need for obtaining an order of the Court or providing notice to Qualified Bidders, Binding Offer Bidders or the Successful Bidder(s) (as each are defined below) provided that such modification, amendment, variation or supplement is expressly limited to changes that do not alter, amend or prejudice the rights of such bidders (including the rights of the Stalking Horse Bidder, except with the authorization of the Stalking Horse Bidder) and are necessary or useful in order to give effect to the substance of the Sale Process, the Bidding Procedures or the Sale Process Order. Notwithstanding the foregoing, the dates or time limits indicated in the table contained below may be extended by the Trustee, as the Trustee deems necessary or appropriate, or by order of the Court.
10. The Trustee will post on the Trustee's website and serve on the service list maintained in the NOI Proceedings, as soon as practicable, any such modification, amendment, variation or supplement to these Bidding Procedures and inform the bidders impacted by such modifications.
11. The Sale Process will be conducted by the Trustee in the manner set forth herein and in accordance with the Sale Process Order. In the event of a dispute as to the interpretation or application of the Sale Process Order or these Bidding Procedures, the Court will have exclusive jurisdiction to hear and resolve such dispute. For the avoidance of doubt, all bidders shall be deemed to have consented to the jurisdiction of the Court in connection with any disputes relating to the Sale Process, including the qualification of bids, the construction and enforcement of the Sale Process, and closing of a Successful Bid, as applicable.

12. Participants in the Sale Process are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, the Auction and any further negotiations or other actions whether or not they lead to the consummation of a transaction.

13. A summary of the key dates pursuant to the Sale Process is as follows:

| Milestone | Date |
|---|--|
| Commence solicitation of interest from parties, including delivering NDA and Teaser Letter, and upon execution of NDA (each as defined below) and access to VDR | By no later than June 13, 2024 ¹ |
| Binding Offer Deadline (as defined below) | By no later than 5:00 p.m. (Eastern Time) on July 10, 2024 |
| Auction, if needed | By no later July 12, 2024 |
| Selection of Successful Bid | By no later than July 12, 2024 |
| Approval Motion (as defined below) | By no later than July 26, 2024 or the earliest date available thereafter |
| Closing of Successful Bid | As soon as possible but no later than July 31, 2024 |

Solicitation of Interest: Notice of the Sale Process

14. As soon as reasonably practicable after the Filing Date,

- a. the Trustee, in consultation with the Vendor, will prepare a list of potential bidders, including (i) parties that have approached the Debtors or the Trustee indicating an interest in the Opportunity, (ii) strategic and financial parties who the Trustee, in consultation with the Vendor, believe may be interested in purchasing all or part of

¹ The Company and the Proposal Trustee commenced soliciting interest immediately following the filing of the NOI but advised all parties who expressed an interest that a subsequent motion for approval of the sale process and possible stalking horse bid was pending.

the Business or the Property, and (iii) parties that showed an interest in the Vendor and/or its Property prior to the date of the Sale Process Order including by way of the previous, out-of-court strategic review process, in each case whether or not such party has submitted a letter of intent or similar document (collectively, the “**Known Potential Bidders**”); and

- b. the Trustee, with the assistance of the Vendor, will prepare (i) a process summary (the “**Teaser Letter**”) describing the Opportunity, outlining the contemplated process under the Sale Process and inviting recipients of the Teaser Letter to express their interest; and (ii) a non-disclosure agreement in form and substance satisfactory to the Trustee and Vendor and their respective counsel, which shall enure to the benefit of any purchaser of the Business or Property or any part thereof (an “**NDA**”).
15. As soon as reasonably practicable, but, in any event, by no later than five (5) business days after the granting of the Sale Process Order, the Trustee, with the assistance of the Vendor, will provide the Known Potential Bidders with a copy of the Bidding Procedures approved by the Court.
 16. The Trustee will cause the Teaser Letter and NDA to be sent to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Trustee as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Virtual Data Room

17. A confidential virtual data room or rooms (collectively the “**VDR**”) in relation to the Opportunity will be made available by the Trustee to Potential Bidders (as defined below) that have executed the NDA. The VDR will be made available as soon as practicable. The Trustee, in consultation with the Vendor, may establish separate VDRs (including “**clean rooms**”), if the Vendor reasonably determines that doing so would further the Vendor’s and any Potential Bidder’s compliance with applicable antitrust and competition laws, or would prevent the distribution of commercially sensitive competitive information. The Trustee may also, in consultation with the Vendor, limit the access of any Potential Bidder to any confidential information in the VDR where the Trustee, in consultation with the Vendor, reasonably determines that such access could negatively impact the Sale Process, the ability to maintain the confidentiality of the information, the Business, the Property or their value.

Qualified Bidders

18. Any party who wishes to participate in the Sale Process (a “**Potential Bidder**”) must provide to the Trustee and counsel to the Vendor, at the addresses specified in **Appendix “B”** hereto (including by email transmission), an NDA executed by it, acceptable to the Trustee, in consultation with the Vendor, and written confirmation of the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.
19. A Potential Bidder (who has delivered the executed NDA and letter as set out above) will be deemed a “**Qualified Bidder**” if the Trustee, in its reasonable judgment, and in consultation

with the Vendor, determines such person is likely, based on the availability of financing, experience and other considerations, to be able to consummate a sale or liquidation transaction pursuant to the Sale Process. All Qualified Bidders will be granted access to the VDR. For the avoidance of doubt, the Stalking Horse Bidder is, and will be deemed to be, a Qualified Bidder. The Trustee will provide to each Qualified Bidder a copy of the Stalking Horse Agreement and any material amendment thereto.

20. The Vendor, the Trustee and their respective advisors make no representation or warranty as to the information contained in the VDR, Teaser Letter or otherwise made available pursuant to the Sale Process.
21. At any time during the Sale Process, the Trustee may, in its reasonable judgment, and in consultation with the Vendor, eliminate a Qualified Bidder from the Sale Process, in which case such bidder will be eliminated from the Sale Process and will no longer be a "Qualified Bidder" for the purposes of the Sale Process.
22. Potential Bidders must rely solely on their own independent review, diligence, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the Sale Process and any transaction they enter into with one or more of the entities comprising the Vendor.

Due Diligence

23. The Trustee and the Vendor, shall, subject to competitive and other business considerations, afford each Qualified Bidder such access to due diligence materials and information relating to the Property and Business as the Trustee, in consultation with the Vendor, may deem appropriate. Due diligence access may include management presentations, access to the VDR, on-site inspections, and other matters which a Qualified Bidder may reasonably request and as to which the Trustee, in its reasonable judgment, and in consultation with the Vendor, may agree. Any access or interactions with the Vendor's management and personnel shall be coordinated through, and involve a representative of, the Trustee.
24. The Trustee will designate one or more representatives of the Trustee to be solely responsible for coordinating and responding to all requests for information and due diligence access from Qualified Bidders and the manner in which such requests must be communicated. Neither the Trustee, nor the Vendor through the Trustee, will be obligated to furnish any information relating to the Property or Business to any person other than to Qualified Bidders. Further, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Qualified Bidders if the Trustee, in consultation with the Vendor, determines such information to represent proprietary or sensitive competitive information.

Formal Binding Offers

25. Any Qualified Bidder (other than the Stalking Horse Bidder) that wishes to make a formal offer to (A) acquire all or substantially all of the Property or Business, whether through an asset purchase, a share purchase or a combination thereof, must submit a binding offer (a "**Binding Offer**") as a marked version compared to the Stalking Horse Agreement, a copy of

which will be posted in the VDR (the “**Binding Offer Bidder**”), in each case, to the Trustee, no later 5 p.m. EST on July 10, 2024 (the “**Binding Offer Deadline**”).

26. A Binding Offer will be considered if it:

- (a) provides for net cash proceeds on closing no less than the aggregate of: (A) the amount of cash payable under the Stalking Horse Agreement, plus (B) the amount of cash payable to cover the Break Fee of \$75,000, as defined in the Stalking Horse Agreement, plus (C) the amount of legal costs of the Stalking Horse Bidder up to a maximum of \$25,000, plus (D) a minimum overbid amount of \$50,000 (the amounts set forth in this paragraph 26(a), the “**Minimum Purchase Price**”);
- (b) is submitted on or before the Binding Offer Deadline by a Qualified Bidder;
- (c) is made by way of binding, definitive transaction document(s) that is/are executed by the Binding Offer Bidder;
- (d) identifies any executory contracts and leases of the Vendor that the Binding Offer Bidder will assume and clearly describes, for each contract or on an aggregate basis, how all monetary defaults and non-monetary defaults will be remedied, as applicable;
- (e) is not subject to any financing condition, diligence condition or internal or board approval;
- (f) is unconditional, other than upon the receipt of the Approval Order(s) (as defined below) and satisfaction of any other conditions expressly set forth in the Binding Offer;
- (g) contains or identifies the key terms and provisions to be included in any Approval Order;
- (h) contains the Binding Offer Bidder’s proposed treatment of employees of the applicable Vendor entities (for example, anticipated employment offers and treatment of post-employment benefits);
- (i) includes acknowledgments and representations of the Binding Offer Bidder that it: (i) has had an opportunity to conduct any and all due diligence regarding the Opportunity prior to making its Binding Offer; (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property and/or the Business in making its Binding Offer; (iii) did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Opportunity or the completeness of any information provided in connection therewith, other than as expressly set forth in the Binding Offer or other transaction document submitted with the Binding Offer; and (iv) promptly will commence any governmental or regulatory review of the proposed transaction by the applicable competition, antitrust or other applicable governmental authorities;

- (j) includes evidence satisfactory to the Trustee of funds available to pay the Minimum Purchase Price on closing;
- (k) provides for any anticipated corporate, licensing, securityholder, legal or other regulatory approvals required to close the transaction, and an estimate of the anticipated time frame and any anticipated impediments for obtaining such approvals;
- (l) does not provide for any break or termination fee, expense reimbursement or similar type of payment, it being understood and agreed that no bidder will be entitled to any bid protections;
- (m) includes:
 - (i) the specific purchase price in Canadian dollars and a description of any non-cash consideration;
 - (ii) a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
 - (iii) a specific indication of the sources of capital for the Binding Offer Bidder and the structure and financing of the transaction; and
 - (iv) a description of those liabilities and obligations (including operating liabilities) which the Binding Offer Bidder intends to assume and which such liabilities and obligations it does not intend to assume and are to be excluded as part of the transaction;
- (n) includes payment of a deposit in the amount of not less than ten percent (10%) of the cash purchase price payable on closing (the “**Deposit**”) by wire transfer to the Proposal Trustee;
- (o) is accompanied by an acknowledgement that if the Binding Offer Bidder is selected as a Successful Bidder, that the Deposit will be non-refundable subject to approval of such Successful Bid by the Court and the terms described in paragraph 27 below;
- (p) contemplates and reasonably demonstrates a capacity to consummate a closing of the transaction set out therein on the date that is ten (10) days from the date of the issuance of the Approval Order approving such bid, or such earlier date as is practical for the parties to close the contemplated transaction, following the satisfaction or waiver of the conditions to closing and in any event no later than July 31, 2024 (the “**Outside Date**”); and
- (q) includes such other information as reasonably requested or identified as being necessary or required by the Trustee, in consultation with the Vendor.

27. By submitting an offer for consideration at a Binding Offer, it is deemed that such Binding Offer: (i) may be accepted by the Vendor by countersigning the Binding Offer, and (ii) is

irrevocable and capable of acceptance until the earlier of (A) two (2) business days after the date of closing of the applicable Successful Bid; and (B) the Outside Date (as defined below).

28. The Trustee, in its reasonable judgment, and in consultation with the Vendor, may waive compliance with any one or more of the requirements specified above and consider such non-compliant Binding Offer. For the avoidance of doubt, the completion of any Binding Offer shall be subject to the approval of the Court.
29. In the circumstance that a Binding Offer, does not provide for net cash proceeds on closing that are at least equal to the Minimum Purchase Price, the Trustee may elect that such Binding Offer nevertheless be considered as a potential Successful Bid and be entitled to participate in the Auction.

Selection of Successful Bid

30. The Trustee, in consultation with the Vendor, may, following the receipt of any Binding Offer, seek clarification with respect to any of the terms or conditions of such Binding Offer and/or request and negotiate one or more amendments to such Binding Offer prior to determining if the Binding Offer should be considered.
31. The Trustee and the Vendor, will (i) review and evaluate each relevant Binding Offer; and (ii) identify the highest and otherwise best Binding Offer (the “**Successful Bid**”, and the Binding Offer Bidder making such Successful Bid, the “**Successful Bidder**”). The Trustee, in consultation with the Vendor, may consider any commercial factor in evaluating Binding Offers, including speed, certainty, value and preservation of employment.
32. In the event that no Binding Offer is selected (other than the Stalking Horse Bid), the Vendor will promptly seek Court approval of the Stalking Horse Agreement and the transactions contemplated therein. In the event there is at least one Binding Offer in addition to the Stalking Horse Bid, a Successful Bid will be identified through an auction (“**Auction**”) in accordance with the procedure set out below.
33. The Trustee may negotiate with Binding Offer Bidders in any manner it considers appropriate in its business judgment with a view to maximizing the value of the Property, including at the Auction. In the event an Auction is required, the Auction will be conducted in accordance with the procedures set forth in this paragraph:
 - (a) The Auction will commence at a time to be designated by the Trustee and may, in the discretion of the Trustee, be held virtually via videoconference, teleconference or such other reasonable means as the Trustee deems appropriate. The Trustee will consult with the parties permitted to attend the Auction to arrange for the Auction to be so held. Subject to the terms hereof, the Trustee, in consultation with the Vendor, may postpone the Auction.
 - (b) The identity of each Binding Offer Bidder participating in the Auction will be disclosed, on a confidential basis, to other Binding Offer Bidders participating in the Auction.

- (c) Except as otherwise permitted in the Trustee's discretion, only the Vendor, the Trustee and the Binding Offer Bidders, and, in each case, their respective professionals and representatives, will be permitted to attend the Auction. Only Binding Offer Bidders (including, for greater certainty, the Stalking Horse Bidder) are eligible to participate in the Auction.
- (d) Binding Offer Bidders will participate in the Auction through a duly authorized representative.
- (e) Except as otherwise set forth herein, the Trustee may waive and/or employ and announce at the Auction additional rules, including rules to facilitate the participation of parties participating in an Aggregated Bid, that are reasonable under the circumstances for conducting the Auction, provided that such rules are:
 - (i) not inconsistent with the Initial Order, the Sale Process, the Bidding Procedures, the BIA, or any order of the Court issued in connection with the NOI Proceedings;
 - (ii) disclosed to each Binding Offer Bidder; and
 - (iii) designed, by the Trustee, in its reasonable judgment, and in consultation with the Vendor, to result in the highest and otherwise best offer.
- (f) The Trustee may arrange for the actual bidding at the Auction to be transcribed or recorded. Each Binding Offer Bidder participating in the Auction will designate a single individual to be its spokesperson during the Auction.
- (g) Each Binding Offer Bidder participating in the Auction must confirm on the record, at the commencement of the Auction and again at the conclusion of the Auction, that it has not engaged in any collusion with the Vendor or any other person, without the consent of the Trustee, regarding the Sale Process, that has not been disclosed to all other Binding Offer Bidders. For greater certainty, communications between the Stalking Horse Bidder and either the Vendor or the Trustee with respect to and in preparation of the Stalking Horse Agreement, the Sale Process and the Bidding Procedures, prior to the issuance of the Sale Process Order and the commencement of the Sale Process will not represent collusion nor communications prohibited by this paragraph.
- (h) Prior to the Auction, the Trustee will identify the highest and best of the Binding Offers received and such Binding Offers will constitute the opening bid for the purposes of the Auction (the "**Opening Bid**"). Subsequent bidding will continue in minimum increments valued at not less than \$50,000.00 cash in excess of the Opening Bid. Each Binding Offer Bidder will provide evidence of its financial wherewithal and ability to consummate the transaction at the increased purchase price. Further, in the event that an Aggregated Bid qualifies to participate in the Auction, modifications to the bidding requirements may be made by the Trustee, in consultation with the Vendor, to facilitate bidding by the participants in the Aggregated Bid.
- (i) All Binding Offer Bidders will have the right, at any time, to request that the Trustee announce, subject to any potential new bids, the then-current highest and best bid

and, to the extent requested by any Binding Offer Bidder, use reasonable efforts to clarify any and all questions such Binding Offer Bidder may have regarding the Trustee's announcement of the then-current highest and best bid.

- (j) Each participating Binding Offer Bidder will be given reasonable opportunity to submit an overbid at the Auction to any then-existing overbids. The Auction will continue until the bidding has concluded and there is one remaining Binding Offer Bidder. The Trustee and the Vendor shall determine which Binding Offer Bidders have submitted the highest and otherwise best Binding Offer of the Auction, which shall be a Successful Bid. At such time and upon the conclusion of the bidding, the Auction will be closed, and the Binding Offer Bidder with the highest and otherwise best Binding Offer of the Auction will be a Successful Bidder.
- (k) Upon selection of a Successful Bidder(s), if any, the Successful Bidder(s), if any, shall deliver to the Trustee and the Vendor, an amended and executed transaction document that reflects their final bid and any other modifications submitted and agreed to during the Auction, prior to the filing of the motion material for the hearing to consider the Approval Motion.
- (l) Any bids submitted after the conclusion of the Auction will not be considered.
- (m) The Trustee, in consultation with the Vendor, shall be at liberty to modify or to set additional procedural rules for the Auction as it sees fit, including to conduct the Auction by way of written submissions.

34. A Successful Bid, if any, will be selected by no later than 5:00 p.m. (Eastern Time) on July 12, 2024 (or such later date immediately thereafter if the Auction is conducted and not completed in one day). If the applicable Successful Bid is terminated for any reason prior to the Outside Date, the Vendor and the Trustee may elect to, or by further order of the Court, seek to complete the transactions contemplated by the Stalking Horse Bid and will promptly seek to close the transaction contemplated by such Stalking Horse Bid, which will be deemed to be a Successful Bid. The Vendor will be deemed to have accepted such Stalking Horse Bid only when the Vendor and the Trustee have made such election.

Approval of Successful Bid

35. The Vendor will apply to the Court (the “**Approval Motion**”) for one or more orders: (i) approving the Successful Bid(s) and authorizing the taking of such steps and actions and completing such transactions as are set out therein or required thereby; and (ii) granting a vesting order(s) to the extent that such relief is contemplated by the Successful Bid(s) so as to vest title to any purchased assets and/or shares in the name of the applicable Successful Bidder(s) (collectively, the “**Approval Order(s)**”). The Approval Motion will be held on a date to be scheduled by the Vendor and confirmed by the Court upon application by the Vendor. With the consent of the Trustee, the Approval Motion may be adjourned or rescheduled by the Vendor without further notice, by an announcement of the adjourned date at the Approval Motion or in a notice to the service list maintained in the NOI Proceedings prior to the Approval Motion. The Vendor will consult with the Trustee and the applicable

Successful Bidder regarding the motion material to be filed by the Vendor for the Approval Motion.

36. All Binding Offers (other than the Successful Bid(s)) will be deemed rejected on and as of the date of the closing of the applicable Successful Bid(s)), with no further or continuing obligation of the Vendor or the Trustee to any unsuccessful Binding Offer Bidders, including the Stalking Horse Bidder.

Deposits

37. The Deposit(s):

- (a) will, upon receipt from the Binding Offer Bidder(s), be retained by the Trustee and deposited in a non-interest-bearing trust account;
- (b) received from the Successful Bidder(s) will:
 - (i) be applied to the purchase price to be paid by the applicable Successful Bidder whose Successful Bid is the subject of the Approval Order(s), upon closing of the approved transaction; and
 - (ii) otherwise be held and refunded in accordance with the terms of the definitive documentation in respect of the applicable Successful Bid, provided that all such documentation will provide that the Deposit will be retained by the Vendor and forfeited by the Successful Bidder, if its Successful Bid fails to close by the Outside Date and such failure is attributable to any failure or omission of the Successful Bidder to fulfil its obligations under the terms of its Successful Bid; and
- (c) received from the Binding Offer Bidder(s) that are not a Successful Bidder will be fully refunded to the Binding Offer Bidder(s) that paid the Deposit(s), as applicable, as soon as practical following the closing of the applicable Successful Bid.

“As is, Where is”

38. Any sale (or sales), including in the case of liquidation, of the Property or the Business or portions thereof will be on an “**as is, where is**” basis except for representations and warranties that are customarily provided in purchase agreements for a company subject to NOI proceedings. Any such representations and warranties provided for in the definitive documents will not survive closing.

Confidentiality

39. For greater certainty, other than as required in connection with any Auction or Approval Motion and subject to paragraph 27, neither the Vendor nor the Trustee will disclose: (i) the identity of any Potential Bidder or Qualified Bidder (other than the Stalking Horse Bidder); or (ii) the terms of any bid, or Binding Offer (other than the Stalking Horse Agreement), to any other bidder or any of its affiliates. Potential Bidders, Qualified Bidders (including the

Stalking Horse Bidder) and each of their respective affiliates shall not communicate with, or contact, directly or indirectly, any other Potential Bidder, Known Potential Bidder, Qualified Bidder or their respective affiliates, without the express written consent of the Trustee, and such communications or discussions are to take place under the supervision of the Trustee.

Further Orders

40. At any time during the Sale Process, the Vendor or the Trustee may apply to the Court for advice and directions with respect to any aspect of this Sale Process including, but not limited to, the continuation of or termination of the Sale Process or with respect to the discharge of its powers and duties hereunder.

Additional Terms

41. In addition to any other requirement of the Sale Process:
- (a) Any consent, approval or confirmation to be provided by the Stalking Horse Bidder, the Vendor and/or the Trustee is ineffective unless provided in writing and any approval required pursuant to the terms hereof is in addition to, and not in substitution for, any other approvals required by the BIA or as otherwise required at law in order to implement a Successful Bid. For the avoidance of doubt, a consent, approval or confirmation provided by email will be deemed to have been provided in writing for the purposes of this paragraph.
 - (b) Prior to seeking Court approval for any transaction or bid contemplated by this Sale Process, the Trustee will provide a report to the Court on the Sale Process, parts of which may be filed under seal, including in respect of any and all bids received.
42. This Sale Process does not, and will not be interpreted to, create any contractual or legal relationship between the Vendor and any other party, other than as specifically set forth in the NDA or any other definitive agreement executed.
43. Notwithstanding anything to the contrary herein, the Trustee shall have no liability whatsoever to any person or entity, including without limitation any Potential Bidder, Qualified Bidder, Binding Offer Bidder, Successful Bidder, or any other creditor or stakeholder, or any Applicant, as a result of implementation or otherwise in connection with this Sale Process, except to the extent that any such liabilities result from the gross negligence or wilful misconduct of the Trustee, as determined by the Court, and all such persons or entities shall have no claim against the Trustee in respect of the Sale Process for any reason whatsoever.

APPENDIX "B"

The Trustee:

KPMG INC.

333 Bay Street, Suite 4600
Toronto, ON M5H 2S5

Attention: Pritesh Patel
Email: pritchpatel@kpmg.ca

with copies to counsel to the Trustee:

Borden Ladner Gervais LLP

Bay Adelaide Centre, East Tower
22 Adelaide St. W
Toronto, ON, Canada
M5H 4E3

Attention: Alex MacFarlane
Email: AMacfarlane@blg.com

The Debtors

Vendor

c/o Loopstra Nixon LLP

130 Adelaide Street West – Suite 2800
Toronto, ON M5H 3PG

Attention: Graham Phoenix
Email: gphoenix@LN.law

**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**

Court File No. 32-3091796
Bankruptcy Estate File No. 32-3091796

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

Proceedings commenced at Hamilton

NOTICE OF MOTION
(returnable July 2, 2024)

LOOPSTRA NIXON LLP

130 Adelaide Street West – Suite 2800
Toronto, ON M5H 3P5

R. Graham Phoenix / Shahrzad Hamraz

Tel: (416) 748 4776 / (416) 748 5116

Fax: (416) 746 8319

Email: gphoenix@LN.law / shamraz@LN.law

Lawyers for Pioneer Balloon Canada Limited.

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

Court File No. 32-3091796
Bankruptcy Estate File No. 32-3091796

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

Proceedings commenced at **HAMILTON**

**MOTION RECORD OF PIONEER
BALLOON CANADA LIMITED**
(Returnable Tuesday, July 2, 2024 @
10:00am via Judicial videoconference)

LOOPSTRA NIXON LLP
130 Adelaide Street West - Suite 2800
Toronto, ON M5H 3P5

R. Graham Phoenix (LSO No.: 52650N)
Shahrazad Hamraz (LSO No.: 85218H)

t. 416.746.4710
f. 416.746.8319
e. gphoenix@LN.law
shamraz@LN.law

Lawyers to Pioneer Balloon Canada Limited