

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE MADAM) TUESDAY, THE 1ST
)
JUSTICE CONWAY) DAY OF MARCH, 2022
)

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF BREAKTHROUGH ENTERPRISES INC. OF THE CITY
OF TORONTO IN THE PROVINCE OF ONTARIO**

**ORDER
(Approval and Vesting Order)**

THIS MOTION, made by Breakthrough Enterprises Inc. (the “**Company**”), for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Purchase Agreement**”) between the Company and 1000041001 Ontario Ltd. on behalf of Spike & Sadie Media Limited Partnership 1000041412 (in such capacity, the “**Purchaser**”) made as of February 21, 2022, pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”), was heard this day by way of video conference due to the COVID-19 crisis.

ON READING the Affidavit of Michael McGuigan, affirmed February 21, 2022, the First Report of Dodick Landau Inc. in its capacity as proposal trustee (the “**Proposal Trustee**”), dated February 24, 2022, and, on hearing the submissions of counsel for the Company, the Proposal

Trustee, HSBC Bank Canada (“**HSBC**”) and such other counsel as appearing on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service of Shaun Parsons sworn, February 22, 2022, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service 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.

APPROVAL OF THE TRANSACTION

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Purchase Agreement is hereby authorized and approved, with such minor amendments as the Proposal Trustee may deem necessary. The Company is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser as described in the Purchase Agreement.

VESTING OF ASSETS

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Proposal Trustee’s certificate to the Purchaser substantially in the form attached as Schedule A hereto (the “**Proposal Trustee’s Certificate**”), all of the Company’s right, title and interest in and to the Purchased Assets (as defined and described in the Purchase Agreement) shall vest absolutely in and to the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual,
WFK:00036089.1

statutory, or otherwise), liens, executions, levies, charges, claims of ownership or authorship, adverse claims, licenses or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise or any encumbrance of any nature which, in substance, secures payment or performance of an obligation (all of which are collectively referred to as “**Claims**”) and, for greater certainty, this Court orders that all of the Claims affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

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

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

6. **THIS COURT ORDERS** that upon the Proposal Trustee’s filing of the Proposal Trustee’s Certificate the Company is authorized to distribute to HSBC the cash proceeds of the Transaction in the amount of \$100,000, subject to the security held by HSBC, without further Order of this Court.

7. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these Proposal Proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of the Company and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Company;

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

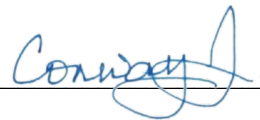
GENERAL

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Company, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Company and to 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 and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

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

10. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this Order is effective from the date that it is made and is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or a motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal order for original signing, entry and filing.

A handwritten signature in blue ink, appearing to read "Conway J.", is written over a horizontal line.

Schedule A – Form of Proposal Trustee’s Certificate

Court File No.

Estate No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A
PROPOSAL OF BREAKTHROUGH ENTERPRISES INC. OF THE CITY OF
TORONTO IN THE PROVINCE OF ONTARIO**

AND IN THE MATTER OF EIGHT RELATED INTENDED PROPOSALS

PROPOSAL TRUSTEE’S CERTIFICATE

RECITALS

A. On February 1, 2022, Breakthrough Enterprises Inc. (“**Breakthrough**”) and eight related entities each filed a Notice of Intention to Make a Proposal (“**NOI**”) under the *Bankruptcy and Insolvency Act*.

B. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated March 1, 2022, the Court approved the agreement of purchase and sale made as of February 21, 2022 (the “**Purchase Agreement**”) between Breakthrough and 1000041001 Ontario Ltd. on behalf of Spike & Sadie Media Limited Partnership 1000041412 (the “**Purchaser**”) and provided for the vesting in the Purchaser of Breakthrough’s right, title and interest in and to the Purchased Assets (as defined in the Purchase Agreement), which vesting is to be effective with

respect to the Purchased Assets upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 7 of the Purchase Agreement have been satisfied or waived by Breakthrough and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Proposal Trustee.

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

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Proposal Trustee has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Purchase Agreement;
2. The conditions to Closing as set out in Article 7 of the Purchase Agreement have been satisfied or waived by Breakthrough and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Proposal Trustee.
4. This Certificate was delivered by the Proposal Trustee at _____ on _____.

Dodick Landau Inc., in its capacity as Proposal Trustee of Breakthrough Enterprises Inc., and not in its personal or corporate capacity

Per: _____
Name:
Title:

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

Court File No. 31-2801364
Estate File No. 31-2801364

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF BREAKTHROUGH ENTERPRISES INC. OF THE CITY
OF TORONTO IN THE PROVINCE OF ONTARIO**

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER
(Approval and Vesting Order)

WEISZ FELL KOUR LLP
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2305, P.O. Box 120
Toronto, ON M5J 2J3

Sharon Kour LSO No. 58328D
Email: skour@wfkaw.ca
Tel.: 416.613.8283

Shaun Parsons LSO No. 81240A
Email: sparsons@wfkaw.ca
Tel.: 416.613.8284

Fax: 416.613.8290

Lawyers for Breakthrough Enterprises Inc.