

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)  
COMMERCIAL LIST**

THE HONOURABLE *Mr* ) TUESDAY, THE 14<sup>TH</sup>  
JUSTICE *Newbold* ) DAY OF FEBRUARY, 2017



**IN THE MATTER OF THE NOTICE OF INTENTION  
TO MAKE A PROPOSAL OF INTERTAINMENT MEDIA INC.**

**ORDER**

**THIS MOTION**, made by Intertainment Media Inc. (the “**Debtor**”) pursuant to section 50.6 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the affidavit of Wayne Parsons sworn 9 February 2017 and the First Report of A. Farber & Partners Inc. in its capacity as trustee under the Debtors’ proposal dated February 2017, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Debtor;

**SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Application Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

**DIP FINANCING**

2. **THIS COURT ORDERS** that the Debtor is hereby authorized and empowered to obtain and borrow under a credit facility from by Wayne Parsons, Tony Relouw, Craig Combe and

Mark Greaves (together, the “**DIP Lender**”) in order to finance the Debtor's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$180,000 unless permitted by further Order of this Court.

3. **THIS COURT ORDERS THAT** such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Debtor and the DIP Lender dated as of 8 February 2017 (the “**Commitment Letter**”).

4. **THIS COURT ORDERS** that the Debtor is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “**Definitive Documents**”), as are contemplated by the Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Debtor is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

5. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on all of the Debtor’s present and after-acquired assets, property and undertaking (the “**Property**”).

6. **THIS COURT ORDERS** that each of the DIP Lender’s Charge shall constitute a charge on the Property shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.

7. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Debtor shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the DIP Lender’s Charge, unless the Debtor also obtains the prior written consent of the DIP Lender or further Order of this Court.

8. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents; and
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, with the consent of the Debtor or upon obtaining an Order from the Court, may exercise any and all of its rights and remedies against the Debtor or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to: (a) cease making advances to the Debtor and set off and/or consolidate any amounts owing by the DIP Lender to the Debtor against the obligations of the Debtor to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge; (b) make demand, accelerate payment and give other notices; or (c) apply to this Court for the appointment of a receiver or receiver and manager.


9. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan any proposal filed by the Debtor with respect to any advances made under the Definitive Documents.

10. **THIS COURT ORDERS** that the filing, registration or perfection of the DIP Lender's Charge shall not be required, and that the DIP Lender's 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 DIP Lender's Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

11. **THIS COURT ORDERS** that the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (c) the provisions of any federal or provincial statutes; or (d) 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 Debtor, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the DIP Lender's Charge nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall create or be deemed to constitute a breach by the Debtor of any Agreement to which it is a party;
- (b) The DIP Lender shall have no liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the Debtor entering into the Commitment Letter, the creation of the DIP Lender's Charge, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Debtor pursuant to this Order, the Commitment Letter or the Definitive Documents, and the granting of the DIP Lender's 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.

12. **THIS COURT ORDERS** that any DIP Lender's Charge over leases of real property in Canada shall only be a charge in the Debtor's interest in such real property leases.

  
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**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF ENTERTAINMENT MEDIA INC.**

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
*(Bankruptcy & Insolvency)*  
**(COMMERCIAL LIST)**

(PROCEEDING COMMENCED AT TORONTO)

**ORDER**

**GOWLING WLG (CANADA) LLP**  
Barristers and Solicitors  
1 First Canadian Place  
100 King Street West, Suite 1600  
Toronto, ON M5X 1G5

**E. Patrick Shea (LSUC No. 39655K)**  
Tel: (416) 369-7399  
Fax: (416) 862-7661  
Solicitors for the Debtor