

ASSET PURCHASE AGREEMENT

BETWEEN

INTERENTAINMENT MEDIA INC.

AND

2541843 ONTARIO INC.

MADE AS OF

23 FEBRUARY 2017

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of 23 February, 2017

B E T W E E N:

INTERENTAINMENT MEDIA INC.

(the “**Vendor**”)

- and -

2541843 ONTARIO INC.

(the “**Purchaser**”)

RECITALS:

- A. On 27 January 2017, the Vendor commenced the BIA Proceeding by filing a Notice of Intention to Make a Proposal naming the Trustee as proposal trustee with a view to developing a proposal to be presented to the Vendor’s unsecured creditors.
- B. The Vendor wishes to sell certain of its assets to provide for the claims of its secured creditors and to satisfy the claim of its secured creditors and to facilitate the making of a proposal to its unsecured creditors.
- C. The Purchaser has agreed to purchase the Purchased Assets subject to the overbid procedures established by the Overbid Procedures Order.

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

“**Agreement**” means this agreement, including its recitals and schedules, as amended from time to time.

“Applicable Law” means: (i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty, and (ii) any applicable guideline, directive, rule, standard, requirement, policy, order, judgment, injunction, award or decree of a Governmental Authority having the force of law.

“Approval and Vesting Order” means an order of the Court providing for the vesting of the right, title and interest of the Vendor in and to the Purchased Assets in and to the Purchaser, or other successful purchaser of the Purchased Assets, free and clear of all encumbrances except Permitted Encumbrances substantially in the form attached as **Schedule “A”**.

“Assumed Liabilities” means:

- (i) the obligations owing by the Vendor to the Security Creditors as at the Closing Date, which is estimated to be no less than **\$1,885,535**;
- (ii) the obligations, if any, owing by the Vendor to the Canada Revenue Agency that rank in priority to the claims of the Secured Creditors or that are required to be paid by the Vendor in the Proposal Proceedings; and
- (iii) **\$180,000** owing by the Vendor to Wayne Parsons, Tony Relouw, Craig Combe and Mark Greaves pursuant to the term sheet dated 9 February 2017 approved by the Court on 14 February 2017.

“BIA Proceeding” means the proceeding pursuant to *Bankruptcy and Insolvency Act* (Canada) commenced by the Vendor on 27 January 2017.

“Business Day” means a day other than a Saturday, Sunday or statutory holiday in Toronto, Ontario.

“Claims” means all losses, damages, expenses, liabilities (whether accrued, actual, contingent, latent or otherwise), interest, penalties, costs, claims, complaints and demands of whatever nature or kind including all legal fees and costs on a solicitor and client basis.

“Closing Date” means Business Day following the day on which all of the conditions set forth in **Article 5** are satisfied, or such other date as may be agreed to in writing between the Vendor and the Purchaser.

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

“Governmental Authority” means any domestic or foreign legislative, executive, judicial or administrative body or person having or purporting to have jurisdiction in the relevant circumstances.

“Overbid Procedures Order” means an order of the Court: (i) approving the sale of the Purchased Assets to the Purchaser pursuant to the terms of this Agreement; and (ii) providing for the procedure by which alternate purchaser(s) may submit competing offers to purchase the Purchased Assets substantially in the form attached as **Schedule “B”**.

“Permitted Encumbrances” means:

- (i) encumbrances relating to Assumed Liabilities; and
- (ii) the encumbrances described in **Schedule “C”**.

“Purchased Assets” has the meaning set out in **Section 2.01**.

“Purchase Price” has the meaning set out in **Section 2.02**.

“Secured Debenture Holders” means the persons identified on the attached **Schedule “D”**.

“Secured Creditors” means Mark Greaves, Tony Relouw, Craig Combe, Thornton Grout Finnigan LLP, Gowling WLG (Canada) LLP and the Secured Debenture Holders.

“Tax Act” means the *Income Tax Act* (Canada).

“Time of Closing” means noon (Eastern Standard Time) on the Closing Date.

“Transfer Taxes” has the meaning set out in **Section 2.04**.

“Trustee” means A. Farber & Partners Inc.

1.02 **Headings**

The division of this Agreement into Articles and Sections and the insertion of a table of contents and headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles and Sections of and Schedules to this Agreement.

1.03 **Extended Meanings**

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Authorities. The term “including” means “including without limiting the generality of the foregoing”.

1.04 **Statutory References**

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.

1.05 **Currency**

All references to currency herein are to lawful money of Canada.

1.06 **Schedules**

The following are the Schedules to this Agreement:

| | | |
|-------------------|---|----------------------------|
| Schedule A | - | Approval and Vesting Order |
| Schedule B | - | Overbid Procedures Order |
| Schedule C | - | Permitted Encumbrances |
| Schedule D | - | Secured Debenture Holders |
| Schedule E | - | Purchased Assets |

ARTICLE 2 - SALE AND PURCHASE

2.01 **Assets to be Sold and Purchased**

Upon and subject to the terms and conditions hereof, the Vendor will sell and assign to the Purchaser and the Purchaser will purchase from the Vendor, as of and with effect from the Time of Closing, all of the right, title, benefit and interest of the Vendor in and to the assets and property identified on **Schedule "E"** (collectively, the **"Purchased Assets"**).

2.02 **Purchase Price**

The purchase price payable to the Vendor for the Purchased (the **"Purchase Price"**) will be **\$65,000** in cash plus the amount of the Assumed Liabilities, which shall be no less than **\$2,065, 535**.

2.03 **Allocation of Purchase Price**

The Purchase Price will be allocated among the Purchased Assets as agreed by the Vendor and the Purchaser in writing at the Time of Closing.

2.04 **Payment of Taxes**

The Purchaser will, in addition to the Purchase Price, be liable for and will pay, or cause to be paid, any applicable federal and provincial sales taxes, goods and services taxes, excise taxes, all transfer, land transfer, value added, *ad valorem*, use, consumption, harmonized sales, retail sales, social services, or other similar taxes or duties (other than income taxes of the Vendor or the Vendor) payable under any Applicable Law on or with respect to the sale and purchase of the Purchased Assets under this Agreement (collectively, **"Transfer Taxes"**). At the Time of Closing, the Purchaser will pay the Transfer Taxes to the Vendor. The Purchaser will prepare and file any affidavits or returns required in connection with the foregoing at its own cost and expense. To the extent that any Transfer Taxes are required to be paid by or are imposed upon the Vendor, the Purchaser will reimburse to the Vendor such taxes within five Business Days of payment of such taxes by the Vendor. The Purchaser will indemnify and hold the Vendor harmless in respect of any Transfer Taxes, penalties, interest and other amounts that may be assessed against the Vendor under any Applicable Law as a result of the sale of the Purchased Assets.

2.05 **Assumption of Obligations and Liabilities**

The Purchaser will assume, fulfil and perform the Assumed Liabilities from and after the Time of Closing. The Purchaser will indemnify and save harmless the Vendor and its directors, officers, employees, agents and advisors (collectively, the “**Indemnified Parties**”) from and against the Assumed Liabilities

2.06 **Obligations and Liabilities Not Assumed**

Except as provided in this Agreement or by Applicable Law, the Purchaser does not assume and will not be liable for any obligations or liabilities of the Vendor or the Vendor.

2.07 **Payment of Purchase Price**

The Purchase Price will be paid by the Purchaser as follows:

- (a) The cash component of the Purchase Price will be payable by the Purchaser by wire transfer of certified cheque on closing; and
- (b) The Purchaser will assume the Assumed Liabilities as at the Time of Closing.

ARTICLE 3 - REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGEMENTS

3.01 **Vendor's Representations and Warranties**

The Vendor represents and warrants to the Purchaser that:

- (a) the Vendor has the right to enter into this Agreement and to complete the transactions contemplated herein, subject to the granting of the Approval and Vesting Order;
- (b) except for this Agreement, to the best of the Vendor's knowledge, there are no outstanding options, agreements or rights capable of becoming an agreement obligating the Vendor to sell the Purchased Assets or any of them to any person other than the Purchaser;
- (c) the Vendor is registered under Part IX of the *Excise Tax Act* (Canada) with registration number 85413 5092 RT0001; and
- (d) the Vendor is not a non-resident person within the meaning of section 116 of the Tax Act.

3.02 **Purchaser's Representations and Warranties**

The Purchaser represents and warrants to the Vendor that:

- (a) the Purchaser is a corporation duly incorporated, organized and subsisting under the laws of Ontario and has all the necessary corporate power and authority to enter into this Agreement and to carry out its obligations hereunder;

- (b) the Purchaser has good and sufficient power, authority and right to enter into and deliver this Agreement and to complete the transactions to be completed by the Purchaser contemplated hereunder;
- (c) this Agreement constitutes a valid and legally binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms;
- (d) neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by the Purchaser will result in a violation of:
 - (i) any of the provisions of the constating documents or by-laws of the Purchaser;
 - (ii) any agreement or other instrument to which the Purchaser is a party or by which the Purchaser is bound; or
 - (iii) any Applicable Law.
- (e) no authorizations, consents or approvals of, or filing with or notice to, any Governmental Authority is required in connection with the execution, delivery or performance of this Agreement; and
- (f) the Purchaser is registered under Part IX of the *Excise Tax Act* (Canada) with registration number_____.

3.03

“As Is, Where Is”

Notwithstanding any other provision of this Agreement, the Purchaser acknowledges that it is purchasing the Purchased Assets on an “as is, where is” basis and on the basis that the Purchaser has inspected the Purchased Assets and will accept the same at the Time of Closing in their then current state, condition and location and subject to all Permitted Encumbrances. Except as otherwise expressly provided in this Agreement, no representation, warranty or condition whether statutory (including under the *Sale of Goods Act* (Ontario), the *International Sale of Goods Contracts Convention Act* (Canada) and the *International Sale of Goods Act* (Ontario) or any international equivalent act which may be applicable to the subject matter pursuant to the provisions of this Agreement, including the *United Nations Convention on Contracts for the International Sale of Goods*), expressed or implied, oral or written, legal, equitable, conventional, collateral or otherwise will be given by the Vendor as to title, outstanding liens or encumbrances, description, fitness for purpose, merchantability, quantity, condition, quality, suitability, durability, assignability, or marketability thereof or any other matter or thing whatsoever, and all of the same are expressly excluded. The Purchaser acknowledges and agrees that it has inspected the Purchased Assets and has relied on its own investigations as to the matters set out above and in determining to purchase the Purchased Assets pursuant to this Agreement. The description of the Purchased Assets contained herein (including the Schedules hereto) is for the purpose of identification only and no condition, warranty or representation has been or will be given by the Vendor concerning the accuracy, completeness or any other matter with respect to such descriptions.

ARTICLE 4 - COVENANTS

4.01 Covenants of the Vendor

(1) The Vendor will ensure that the representations and warranties of the Vendor set out in **Section 3.01** are true and correct at the Time of Closing and that the conditions of closing set out in **Sections 5.01(1)** and **5.02(1)** over which the Vendor has reasonable control have been performed or complied with by the Time of Closing.

4.02 Covenants of the Purchaser

(1) The Purchaser will ensure that the representations and warranties of the Purchaser set out in **Section 3.02** are true and correct at the Time of Closing and that the conditions of closing set out in **Section 5.01(1)** and **5.02(1)** over which the Purchaser has reasonable control have been performed or complied with by the Time of Closing.

4.03 Cooperation on Tax Matters

The Vendor and the Purchaser will furnish or cause to be furnished to each other, at the expense of the requesting party, as promptly as practicable, such information and assistance, and provide additional information and explanations of any material provided, relating to the Purchased Assets as is reasonably necessary for the filing of any tax returns, for the preparation of any audit, and for the prosecution or defence of any claim, suit or proceeding relating to any adjustment or proposed adjustment with respect to taxes.

ARTICLE 5 - CONDITIONS

5.01 Conditions for the Benefit of the Purchaser

(1) The sale by the Vendor and the purchase by the Purchaser of the Purchased Assets is subject to the following conditions, which are for the exclusive benefit of the Purchaser and which are to be performed or complied with at or prior to the Time of Closing:

- (a) the representations and warranties of the Vendor set forth in **Section 3.01** will be true and correct at the Time of Closing with the same force and effect as if made at and as of such time;
- (b) the Vendor will have performed or complied with all of the terms, covenants and conditions of this Agreement to be performed or complied with by the Vendor at or prior to the Time of Closing;
- (c) the Vendor will have delivered or caused to be delivered to the Purchaser each of the items listed in **Section 7.04**;
- (d) no action or proceeding will be pending to restrain, enjoin or prohibit the purchase and sale of the Purchased Assets; and

- (e) the Approval and Vesting Order will have been granted by the Court and such order will not have been stayed, varied or set aside and no motion seeking any relief from the Approval and Vesting Order will have been served or be pending;

(2) In case any material term or covenant of the Vendor or material condition to be performed or complied with for the benefit of the Purchaser at or prior to the Time of Closing has not been performed or complied with at or prior to the Time of Closing, the Purchaser, without limiting any other right that the Purchaser has, may at its sole option either acting reasonably:

- (a) rescind this Agreement by notice to the Vendor, and in such event the Purchaser will be released from all obligations hereunder; or
- (b) waive compliance with any such term, covenant or condition in whole or in part on such terms as may be agreed upon without prejudice to any of its rights of rescission in the event of non-performance of any other term, covenant or condition in whole or in part;

and, if the Purchaser rescinds this Agreement pursuant to **Section 5.01(2)(a)**, the Vendor will also be released from all obligations hereunder.

5.02 **Conditions for the Benefit of the Vendor**

(1) The sale by the Vendor and the purchase by the Purchaser of the Purchased Assets is subject to the following conditions, which are for the exclusive benefit of the Vendor and which are to be performed or complied with at or prior to the Time of Closing:

- (a) the representations and warranties of the Purchaser set forth in **Section 3.02** will be true and correct at the Time of Closing with the same force and effect as if made at and as of such time;
- (b) the Purchaser will have performed or complied with all of the terms, covenants and conditions of this Agreement to be performed or complied with by the Purchaser at or prior to the Time of Closing;
- (c) the Purchaser will have delivered or caused to be delivered to the Vendor each of the items listed in **Section 7.05**;
- (d) no action or proceeding will be pending to restrain, enjoin or prohibit the purchase and sale of the Purchased Assets; and
- (e) the Approval and Vesting Order will have been granted by the Court and such order will not have been stayed, varied or set aside and no motion seeking any relief from the Approval and Vesting Order will have been served or be pending;

(2) In case any material term or covenant of the Purchaser or condition to be performed or complied with for the benefit of the Vendor at or prior to the Time of Closing has not been performed or complied with at or prior to the Time of Closing, the Vendor, without limiting any other right that the Vendor has, may at its sole option either acting reasonably:

- (a) rescind this Agreement by notice to the Purchaser, and in such event the Vendor will be released from all obligations hereunder, or
- (b) waive compliance with any such term, covenant or condition in whole or in part on such terms as may be agreed upon without prejudice to any of its rights of rescission in the event of non-performance of any other term, covenant or condition in whole or in part,

and, if the Vendor rescinds this Agreement pursuant to **Section 5.02(2)(a)**, the Purchaser will also be released from all obligations hereunder unless the term, covenant or condition for which the Vendor has rescinded this Agreement was one that the Purchaser had covenanted, pursuant to **Section 4.02(1)**, to ensure had been performed or complied with, in which event the Purchaser will be liable to the Vendor for any Claims incurred by the Vendor directly or indirectly as a result of such breach.

ARTICLE 6 - OVERBID PROCEDURES

6.01 Bidding Procedures

Not later than fifteen (15) Business Days following the execution of this Agreement, the Vendor shall file a Motion with the Court requesting the entry of the Overbid Procedures Order.

6.02 Expense Reimbursement

Subject to the issuance of the Overbid Procedures Order, upon the termination of this Agreement by the and the transfer of substantially all of the Purchased Assets to a third party other than the Purchaser (an “**Alternative Transaction**”), the Vendor shall (a) reimburse the Purchaser for its documented reasonable out-of-pocket costs and expenses (including reasonable legal, accounting, engineering and other consultant fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby in an amount of **\$75,000** (the “**Expense Reimbursement**”). Payment of the Expense Reimbursement shall be made by wire transfer of immediately available funds promptly upon consummation of the Alternative Transaction from the proceeds from the Alternative Transaction, and the Purchaser shall have a first ranking and priority lien and charge against all proceeds of the Alternative Transaction as security for the Expense Reimbursement.

ARTICLE 7 - CLOSING ARRANGEMENTS

7.01 Closing

The sale and purchase of the Purchased Assets will be completed at the Time of Closing at the offices of counsel for the Vendor, Gowling WLG (Canada) LLP, Suite 1600, First Canadian Place, 100 King Street West, Toronto ON M5X 1G5.

7.02 **Examination of Records and Purchased Assets**

(1) The Vendor will make reasonable efforts to make available to the Purchaser and its authorized representatives all data recorded or stored by means of any device, including in electronic form, in its possession or under its control relating to any of the Purchased Assets.

(2) Both prior to the Closing Date and, if the sale and purchase of the Purchased Assets hereunder fails to occur for whatever reason, thereafter, the Purchaser will not disclose to anyone or use for its own or for any purpose other than the purpose contemplated by this Agreement any confidential information concerning the Vendor or the Purchased Assets obtained by the Purchaser pursuant hereto, will hold all such information in the strictest confidence and, if the sale and purchase of the Purchased Assets hereunder fails to occur for whatever reason, will return all documents, records and all other information or data relating to the Vendor or the Purchased Assets which the Purchaser obtained pursuant to this Agreement.

(3) From and after the Closing Date, except as required by order of the Court or other court of competent jurisdiction or by applicable law, the Vendor will not disclose to anyone or use for any purpose any confidential information concerning the Purchased Assets purchased by the Purchaser pursuant to this Agreement and will hold all such information in the strictest confidence.

7.03 **Title**

All of the right, title, benefit and interest of the Vendor, if any, in and to the Purchased Assets will pass from the Vendor to the Purchaser at the Time of Closing. At the Time of Closing, the Purchaser will take possession of the Purchased Assets where situated.

7.04 **Vendor's Closing Deliveries**

On or before the Time of Closing, the Vendor will deliver or cause to be delivered to the Purchaser the following:

- (a) a certificate executed by a senior officer of the Vendor confirming that the representations and warranties of the Vendor in **Section 3.01** are true and correct as of the Time of Closing and that the obligations of the Vendor to be performed prior to the Time of Closing have been performed;
- (b) a copy of the issued and entered Approval and Vesting Order; and
- (c) such deeds, documents of title, conveyances, transfers, assignments, indentures and instruments necessary or desirable in the opinion of the parties hereto and their respective counsel, acting reasonably, to effect the assignment, transfer and sale of the Purchased Assets to the Purchaser and such other documents or instruments as contemplated or required to be delivered by the Vendor pursuant to this Agreement.

7.05 **Purchaser's Closing Deliveries**

On or before the Time of Closing, the Purchaser will deliver or cause to be delivered to the Vendor the following:

- (a) the payment of the Purchase Price as contemplated by **Section 2.07**;
- (b) a certificate executed by a senior officer of the Purchaser confirming that the representations and warranties of the Purchaser in **Section 3.02** are true and correct as of the Time of Closing and that the obligations of the Purchaser to be performed prior to the Time of Closing have been performed;
- (c) evidence, satisfactory to the Vendor, of the payment of Transfer Taxes as contemplated by **Section 2.04**; and
- (d) such other deeds, documents of title, conveyances, transfers, assignments, indentures and instruments necessary or desirable in the opinion of the parties hereto and their respective counsel, acting reasonably, to effect the assignment, transfer and sale of the Purchased Assets to the Purchaser and such other documents, instruments or indemnities as contemplated or required to be delivered by the Purchaser pursuant to this Agreement.

ARTICLE 8 - GENERAL

8.01 **Further Assurances**

Each of the Vendor and the Purchaser will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may, either before or after the Closing Date, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

8.02 **Time of the Essence**

Time is of the essence of this Agreement.

8.03 **Fees and Commissions**

Each of the Vendor and the Purchaser will pay its respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred and will indemnify and save harmless the other from and against any Claim for any broker's, finder's or placement fee or commission alleged to have been incurred as a result of any action by it in connection with the transactions under this Agreement.

8.04 **Public Announcements and Confidentiality**

Except as required by law or by the Vendor in connection with the BIA Proceeding or a Court order, no public announcement or press release concerning the sale and purchase of the Purchased Assets may be made by the Vendor or the Purchaser without the prior consent and joint approval of the Vendor and the Purchaser, which consent and approval shall not be unreasonably withheld.

8.05 **Benefit of the Agreement**

This Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.

8.06 **Entire Agreement**

This Agreement and the Confidentiality Agreement constitute the entire agreement between the parties hereto with respect to the subject matter hereof and such agreements cancel and supersede any prior understandings and agreements between the parties hereto with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement or in the Confidentiality Agreement.

8.07 **Amendments and Waivers**

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by both of the parties hereto. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

8.08 **Assignment**

This Agreement may not be assigned by either party without the prior written consent of the other, except that the Purchaser shall, at any time up to the Business Day prior to the making of the Approval and Vesting Order, have the right to direct in writing that the Purchased Assets be vested in a related or affiliated company.

8.09

Notices

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by electronic means of communication addressed to the recipient as follows:

To the Vendor:

INTERENTAINMENT MEDIA LTD.

Unit 11 – 1673 Richmond St
London ON M6G 2N3

Attention: Wayne Parsons

Email: wparsons@intertainmentmedia.com

With copies to:

GOWLING WLG (CANADA) LLP

Suite 1600, 100 King St W
Toronto ON M5X 1G5

Fax: 416-862-7661

Attention: E. Patrick Shea, LSM, CS

Email: Patrick.shea@gowlingwlg.com

and

A. FARBER & PARTNERS INC.

Suite 1600, 150 York St
Toronto ON M5H 3S5

Attention: Rob Stelzer, CPA, CA, CIRP

Email: rstelzer@farberfinancial.com

and

BENNETT JONES LLP

3400, 100 King St W
Toronto ON M5X 1A4

Attention: Sean Zweig

Email: ZweigS@bennettjones.com

To the Purchaser:

Fax :

Attention:

Email:

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day.

8.10 **Remedies Cumulative**

The right and remedies of the parties under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

8.11 **No Third Party Beneficiaries**

This Agreement is solely for the benefit of

- (a) the Vendor, and its successors and permitted assigns, with respect to the obligations of the Purchaser under this Agreement; and
- (b) the Purchaser, and its successors and permitted assigns, with respect to the obligations of the Vendor under this Agreement,

and this Agreement will not be deemed to confer upon or give to any other person any remedy, claim, liability, reimbursement, cause of action or other right.

8.12 **Governing Law**

This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

8.13 **Attornment**

For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the Province of Ontario and the Court will have jurisdiction to entertain any action

arising under this Agreement. The Vendor and the Purchaser each attorns to the jurisdiction of the Court.

8.14 **Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision will not affect the validity or enforceability of any other provision of this Agreement, all of which will be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction will not affect such provision validity or enforceability in any other jurisdiction.

8.15 **Capacity of the Vendor**

The Purchaser acknowledges that the Vendor is entering into this Agreement solely in its capacity as interim receiver and receiver and manager of all the assets, undertakings and properties of the Vendor and not in its personal capacity.

8.16 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.

8.17 **Facsimiles**

Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK


IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

INTERENTAINMENT MEDIA INC.

Per: 
Authorized Signing Officer

Per: _____
Authorized Signing Officer

2541843 ONTARIO INC.

Per: 
Authorized Signing Officer

Per: _____
Authorized Signing Officer

SCHEDULE A
APPROVAL AND VESTING ORDER

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

THE HONOURABLE) DAY, THE [DATE]
JUSTICE)
DAY OF , 2017

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

APPROVAL AND VESTING ORDER

THIS MOTION, made by Entertainment Media Inc. (the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Debtor and [NAME OF PURCHASER] (the “**Purchaser**”) dated [DATE] and appended to the Report of A. Farber & Partners Inc. (the “**Proposal Trustee**”) in its capacity as trustee under the Debtor’s proposal (the “**Report**”), and vesting in the Purchaser the Debtor’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Debtor, the Proposal Trustee, [NAMES OF OTHER PARTIES APPEARING], no one appearing for any other person on the service list, although properly served as appears from the Affidavit of [NAME] sworn [DATE] filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Debtor is hereby authorized and approved, with such minor amendments as the Debtor, with the approval of the Proposal Trustee, may deem necessary. The Debtor 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.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a certificate to the Purchaser substantially in the form attached as **Schedule A** hereto (the "**Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on **Schedule B** hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") save an except those claims and the related security interests or deemed trusts listed on the attached **Schedule C**, which claims shall continue to attach to the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale.

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

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

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

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 Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or

provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

5. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

6. **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 Debtor and its 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 Debtor or the Purchaser as may be necessary or desirable to give effect to this Order or to assist the Debtor or the Purchaser in carrying out the terms of this Order.

A

F

T

Schedule A –Certificate

Court File No.: 35-2212212

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

BETWEEN:

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

CERTIFICATE

RECITALS

A. Pursuant to an Order of the Court dated [DATE], the Court approved the agreement of purchase and sale made as of [DATE OF AGREEMENT] (the “**Sale Agreement**”) between Entertainment Media Inc. and [NAME OF PURCHASER] (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the A. Farber & Partners Inc. (the “**Proposal Trustee**”) in its capacity as trustee under the Debtor’s proposal 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 Sale Agreement have been satisfied or waived by the Debtor and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Debtor.

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

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;

2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Debtor and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Debtor.
4. This Certificate was delivered by the Proposal Trustee at _____ [TIME] on _____ [DATE].

A. FARBER & PARTNERS INC., in its capacity as trustee under the proposal of Entertainment Media Inc.

Per: _____

Name: _____

Title: _____

D

Schedule B – Purchased Assets

R

A

F

T

Schedule C – Surviving Claims and Security Interests

1. Obligations owing by the Vendor to the Security Creditors (as defined in the Sale Agreement) as at the Closing Date and related security.
2. Obligations owing to Thornton Grout Finnigan LLP and Gowling WLG (Canada) LLP and all related security.
3. Obligations, if any, owing by the Vendor to the Canada Revenue Agency that rank in priority to the claims of the Secured Creditors or that are required to be paid by the Vendor in the Proposal Proceedings. And any related statutory deemed trusts
4. \$180,000 owing by the Vendor to Wayne Parsons, Tony Relouw, Craig Combe and Mark Greaves pursuant to the term sheet dated 9 February 2017 and the security granted pursuant to the Order made on 14 February 2017.

SCHEDULE B
OVERBID PROCEDURES ORDER

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

THE HONOURABLE) DAY, THE [DATE]
JUSTICE)
DAY OF , 2017

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

ORDER

THIS MOTION, made by Entertainment Media Inc. (the “**Debtor**”) for an order, *inter alia*, approving an Asset Purchase Agreement made as of 23 February 2017 (the “**Sale Agreement**”) between the Debtor and 254183 Ontario Inc. (the “**Purchaser**”) and the related overbid procedures was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report (the “**Report**”) of A. Farber & Partners Inc. (the “**Proposal Trustee**”) in its capacity as trustee under the Debtor’s proposal and the Affidavit of Wayne Parsons sworn 24 February 2017 and on hearing the submissions of counsel for the Debtor and the Proposal Trustee;

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record is hereby abridged and service thereof is hereby validated so that this motion is properly returnable today and further service thereof is hereby dispensed with.
2. **THIS COURT ORDERS** that all capitalized terms not otherwise defined herein shall have the respective meanings ascribed to them in the Sale Agreement or the Overbid Procedures (as such terms are defined below), as the case may be.

3. **THIS COURT ORDERS** that the Debtor is hereby authorized and directed to enter into the Sale Agreement to sell to the Purchaser the assets identified in the Sale Agreement (the “**Purchased Assets**”), substantially in the form of the agreement attached to the Report.

4. **THIS COURT ORDERS** that the sales and bidding procedures attached hereto as **Schedule “A”** (the “**Overbid Procedures**”) be and are hereby approved and the Proposal Trustee is hereby authorized and directed to conduct the Overbid Procedure.

5. **THIS COURT ORDERS** that the Proposal Trustee and its affiliates, partners, directors, employees and agents shall have no liability with respect any losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Overbid Procedure, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Proposal Trustee in performing its obligations under the Overbid Procedure.

6. **THIS COURT ORDERS** that upon acceptance of the Successful Bid in accordance with the Overbid Procedures there shall be a binding agreement of purchase and sale between the Successful Purchaser and the Debtor to complete the transaction contemplated by, and substantially on the basis of the terms contained in, the Sale Agreement and the Purchase Price offered by the Successful Purchaser in the Overbid Procedure save and except that the Successful Purchaser shall not be entitled to the benefit of Article 6 – Overbid Procedures of the Sale Agreement.

F

T

OVERBID PROCEDURES

These Overbid Procedures shall govern the solicitation by the Proposal Trustee of offers for the Purchased Assets that are superior to that contemplated by the Sale Agreement in terms of the Purchase Price to be paid for the Purchased Assets. Capitalized terms in these Overbid Procedures that are not otherwise defined shall have the meaning ascribed in the Order dated [Date] February 2017 or the Sale Agreement. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

Overbid Procedures

These Overbid Procedures provide a procedure to solicit binding offers to purchase the Purchased Assets for a Purchase Price that will result in proceeds in excess of that provided for in the Sale Agreement. In the event that the Debtor determines that there is one offer from a Qualified Bidder that will provide proceeds in excess of that provided by the Sale Agreement, the Debtor shall conduct an auction in accordance with the procedures set out in **Section 7**.

1. Assets for Sale

The Debtor is soliciting offers for the Purchased Assets only and offers must be for the purchase of all of the Purchased Assets *en bloc*.

2. Solicitation

The Proposal Trustee, with the assistance of the Debtor, has prepared: (a) a list of potential purchasers for the Purchased Assets (the “**Potential Bidders**”); (b) a notice of the fact that the Purchased Assets are being offered for sale (the “**Notice**”); (c) a Confidential Information Memorandum (the “**CIM**”); and (d) a form of confidentiality agreement (the “**Confidentiality Agreement**”). The Proposal Trustee shall send the Notice and the Confidentiality Agreement to the Potential Purchasers by no later than **3 March 2017**.

The Proposal Trustee shall post a notice in *The Globe & Mail* in the form attached as **Schedule 1** (the “**Advertisement**”) once prior to **10 March 2017**. The Proposal Trustee shall send the CIM and the Confidentiality Agreement to any person that responds to the Advertisement prior to **20 March 2017**.

3. Access to Due Diligence Materials

Interested parties that execute and deliver to the Proposal Trustee the Confidentiality Agreement (“**Potential Purchasers**”) prior to **21 March 2017** shall receive a copy of the CIM and access to an electronic data room established by the Proposal Trustee until **22 March 2017**.

4. Bidding Deadlines

All Offers by Potential Purchasers to purchase the Purchased Assets must be submitted so that they are received by the Proposal Trustee by no later than **1600 on 22 March 2017** (the “**Bid Deadline**”). Offers received by the Receiver after the Bid Deadline shall not be considered and Potential Purchasers submitting an Offer subsequent to the Bid Deadline may not be considered Qualified Bidders (as

defined below). Offers shall be delivered by Potential Purchasers *via* e-mail or by personal delivery to the Receiver at:

A. FARBER & PARTNERS INC.

Suite 1600, 150 York St
Toronto ON M5H 3S5

Attention: Rob Stelzer, CPA, CA, CIRP
Email: rstelzer@farberfinancial.com

5. Offer Requirements

Offers must be in writing and:

- (i) **Identification**: Must identify the representative(s) who is (are) authorized to act on behalf of the Potential Purchaser for all purposes regarding the contemplated transaction and the Auction (as defined below).
- (ii) **Form and Content**: Must indicate the Potential Purchaser's willingness to close the purchase of the Purchased Assets based on the terms set forth in the Sale Agreement save and except for Article 6 – Overbid Procedures, which Article shall not be applicable in connection with a transaction in favour of any person other than the Purchaser. For greater certainty, the only amendments to the Sale Agreement that are permitted are with respect to the Purchase Price to be paid for the Purchased Assets and whether the Purchase Price is to be paid in cash and/or by way of assumption of secured debt.
- (iii) **Minimum Consideration**: Must provide for consideration payable on closing that is equal to that contemplated by the Sale Agreement plus: (a) the \$75,000 expense reimbursement contemplated by Article 6.02 the Sale Agreement; and (b) an initial overbid amount of \$60,000. For greater certainty, an offer may contemplate the payment in cash of the Assumed Liabilities.
- (iv) **Financial Wherewithal**: Must include evidence satisfactory to the Proposal Trustee, in its sole and absolute discretion, of the Potential Purchaser's ability to close and, in particular, the Potential Purchaser's ability, if applicable, to assume and pay the Assumed Liabilities.
- (v) **Closing Date**: Must contain a binding commitment to close as soon as practicable and in no event later than **17 April 2017**.
- (vi) **Irrevocable**: Must be irrevocable and capable of acceptance until the earlier of: (a) the day on which the Potential Purchaser is notified that it is not a Qualified Bidder (as defined below); (b) the day on which Auction (as defined below) concludes; and (c) **17 April 2017**.
- (vii) **Other Information**: Shall contain such other information reasonably requested by the Debtor or the Proposal Trustee.

6. Designation as Qualified Bidder

By no later than **1200 on 27 March 2017**, the Proposal Trustee shall determine whether Potential Purchasers who submit an Offer that satisfies the requirements of **Section 5** and is a "Qualified Bidder" and shall notify all Potential Purchasers whether or not they are Qualified Bidders in accordance with **Section 7**. Notwithstanding anything else in the Bidding Procedures, the Purchaser is deemed to be a Qualified Bidder.

7. Auction

If the Proposal Trustee determines that there are no Qualified Bidders other than the Purchaser, then:

- (i) there will be no auction; and
- (ii) the Debtor shall bring a motion to the Court seek an order vesting the Purchased Assets in the Purchaser in accordance with the terms of the Sale Agreement.

If the Proposal Trustee determines that there is at least one Qualified Bidder other than the Purchaser, the Proposal Trustee shall conduct an auction to determine the highest Purchase Price that can be achieved for the Purchased Assets (the "**Auction**"). The Auction shall be held at the offices of Gowling WLG Canada LLP at Suite 1600, 100 King St W in Toronto, Ontario on **30 March 2017**.

If the Auction is to take place, by **1400 on 27 March 2017** the Proposal Trustee shall send written notice to all Qualified Bidders and invite the Qualified Bidder to participate in the Auction (the "**Auction Notice**").

If a Qualified Bidder intends to participate in the Auction, it must advise the Proposal Trustee of such intention in writing by no later than **1400 on 28 March 2017** (the "**Participation Notice**"). The Purchaser is not required to deliver a Participation Notice.

If no Participation Notices are received by **1400 on 28 March 2017**, then:

- (i) there will be no auction; and
- (ii) the Debtor shall bring a motion to the Court seek an order vesting the Purchased Assets in the Purchaser in accordance with the terms of the Sale Agreement.

If at least one (1) Participation Notice is received by **1400 on 28 March 2017**, the Auction will take place and shall be conducted in accordance with the following procedures:

- (i) **Participation at the Auction.** The Proposal Trustee shall direct and preside over the Auction. Only Qualified Bidders are eligible to participate in the Auction. Each Qualified Bidder must have present or available, the individual or individuals with the necessary decision making authority to submit Overbids (as defined below) and to make such necessary and ancillary decisions as may be required during the Auction. Only the authorized representatives, including counsel and other advisors, of each of the Qualified Bidders the Proposal Trustee and the Debtor shall be permitted to attend the Auction;

- (ii) **Rounds.** Bidding at the Auction shall be conducted in rounds. The Qualified Bidder with the highest Purchase Price shall constitute the opening bid (the “**Opening Bid**”) for the first round of bidding. The highest Overbid (as defined below) at the end of each round shall constitute the Opening Bid for the following round.
- (iii) **Failure to Submit an Overbid.** If, at the end of any round of bidding, a Qualified Bidder fails to submit an Overbid, then such Qualified Bidder **may not** participate in the next round of bidding at the Auction. Any Qualified Bidder that submitted the Opening Bid for a round shall be entitled to participate in the next round of bidding.
- (iv) **Overbids.** All Bids made during the Auction shall be Overbids. Overbids will be submitted in writing and will indicate the Purchase Price the Qualified Bidder is prepared to pay and whether the Purchase Price is to be satisfied by the payment of cash and/or the assumption of the Assumed Liabilities. The identity of each Qualified Bidder and the purchase price offered by such Qualified Bidder shall be fully disclosed to all other Qualified Bidders participating in the Auction. To be considered an Overbid, a Bid made during the Auction must satisfy the following criteria:
- (a) **Minimum Consideration.** The amount of purchase price for any Overbid shall not be less than the purchase price consideration of the Opening Bid of the applicable round of bidding plus at least an additional \$60,000.00 provided that any Overbid by the Purchaser shall be deemed to include the \$75,000 expense reimbursement; and
- (b) **Remaining terms are the same as for Qualified Bids.** An Overbid must comply with the conditions for a Bid set forth in **Section 5**. For greater certainty, the Proposal Trustee may, in its sole discretion, require that a Qualified Bidder establish that it has the ability to close and, in particular, the that it has the ability, if applicable, to assume and pay the Assumed Liabilities
- (v) **Announcing Highest Overbids.** At the end of each round of bidding, the Proposal Trustee, will disclose the highest Overbid and the Qualified Bidder(s) entitled to participate in the next round of bidding. Such highest Overbid in the round shall be the Opening Bid for the next round of the Auction.
- (vi) **Closing the Auction.** If, in any round of bidding no Overbid is made, the Auction shall be closed and the Proposal Trustee shall: (a) declare the last Opening Bid as the successful Bid (the “**Successful Bid**”) and the Qualified Bidder who submitted the Successful Bid shall be the “**Successful Purchaser**”.
- (vii) **Consent to Jurisdiction as Condition to Bid.** All Qualified Bidders shall be deemed to have consented to the exclusive jurisdiction of the Court in connection with any disputes relating to the Auction;
- (viii) **No Collusion.** Each Qualified Bidder shall be required to confirm that it has not engaged in any discussions or any other collusive behaviour with respect to the submissions of Overbids.

- (ix) **Approval Motion.** The Debtor shall, within five (5) Business Days of the conclusion of the Auction bring a motion seeking approval of the Successful Bidder and vesting the Purchased Assets in the Successful Bidder in accordance with the terms of the Sale Agreement, provided that the Purchase Price to be paid by the Successful Bidder shall be the purchase price as set forth in the Successful Bid.

TOR_LAW\ 9122680\2

SCHEDULE C
PERMITTED ENCUMBRANCES

None

SCHEDULE D
SECURED DEBENTURE HOLDERS

| Holder | Certificate # | Number of Transferred Shares | Legend(s) |
|--|----------------|------------------------------|-----------|
| Craig Combe | Certificate 1 | 136,794 | A |
| | | | |
| Steve Singh | Certificate 2 | 365,925 | A |
| | | | |
| Hagen Gocht | Certificate 3 | 45,598 | A |
| | | | |
| Amanda Lisus | Certificate 4 | 98,308 | A |
| | | | |
| Relouw Family 2004 Discretionary Trust | Certificate 5 | 714,509 | A |
| | | | |
| Mark Greaves | Certificate 6 | 296,295 | A |
| | | | |
| John Kutevicius Professional Corporation | Certificate 7 | 34,308 | A |
| | | | |
| Eric Smith | Certificate 8 | 68,615 | A |
| | | | |
| Jerome Van-Vliet | Certificate 9 | 34,308 | A |
| | | | |
| Glen Cooke | Certificate 10 | 48,031 | A |
| | | | |
| John Lynch | Certificate 11 | 68,615 | A |
| | | | |
| Thomas Fairfull | Certificate 12 | 5,490 | A |
| | | | |
| Jonathan Goodman | Certificate 13 | 6,834 | A |
| | | | |
| Philip Turk | Certificate 14 | 10,933 | A |
| | | | |
| Fred Khosrowshahi | Certificate 15 | 12,982 | A |
| | | | |
| Gordon Stratford | Certificate 16 | 54,842 | A |
| | | | |
| Roselyn Stratford | Certificate 17 | 58,438 | A |
| | | | |
| Samuel Sayson | Certificate 18 | 9,890 | A |
| | | | |
| SSN: 571-11-4330 | | | |
| | | | |

| | | | |
|-------------------------------|----------------|------------|---|
| Calvin Cameron | Certificate 19 | 15,284 | A |
| SSN: 470-21-9318 | | | |
| Che-ming Yang | Certificate 20 | 53,943 | A |
| SSN: 310-76-7096 | | | |
| John Parr | Certificate 21 | 22,477 | A |
| | | | |
| Marium Anna Stapleton Henson | Certificate 22 | 26,972 | A |
| | | | |
| SSN: 254-76-4763 | | | |
| Ian Hasinoff | Certificate 23 | 44,953 | A |
| SSN: 477-27-3453 | | | |
| Levitt Insurance Brokers Ltd. | Certificate 24 | 31,467 | A |
| | | | |
| MGP Architects | Certificate 25 | 44,953 | A |
| | | | |
| Neal Kingstone | Certificate 26 | 8,925 | A |
| | | | |
| Thomas McDonnell | Certificate 27 | 44,625 | A |
| SSN: 426-15-5034 | | | |
| Paola Saad | Certificate 28 | 13,388 | A |
| | | | |
| Sanford Miller | Certificate 29 | 22,313 | A |
| SSN: 109-38-8083 | | | |
| Intertainment Media Inc | Certificate 30 | 12,912,485 | A |
| | | | |
| | | | |
| | | | |

SCHEDULE E

PURCHASED ASSETS

1. 4.8 million shares of Yappn Corp. owned by the Vendor.
2. The Vendor's 20% equity interest Active ImageNation Inc.
3. A note or other instrument exchangeable for 80% of the net proceeds, if any, realized by the Vendor from any transaction to realize value from the Vendor's accumulated tax losses.
4. An assignment of the Vendor's rights under a certain agreement relating to itiBiti Ventures Inc.
5. An assignment of the Vendor's claim against Mi5 Print & Digital Communications Inc.