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Court File No. CV-13-10008-00CL

ONTARIO

DATED AT TORONTO THIS 24 DAY OF June 20 13  
FAIT À TORONTO LE JOUR DE

SUPERIOR COURT OF JUSTICE

REGISTRAR

GREFFIER

COMMERCIAL LIST

THE HONOURABLE MR

WEDNESDAY, THE 24<sup>th</sup> DAY

JUSTICE Camming

OF APRIL, 2013

BETWEEN:

PNC BANK CANADA BRANCH

Applicant

- and -

COMBAT SPORTS INC. and COMBAT SPORTS, INC.

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by BDO Canada Limited, in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of Combat Sports Inc. (the "Canadian Debtor") and Combat Sports, Inc. (the "U.S. Debtor, and together with the Canadian Debtor, the "Debtor") for an order (A) approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") among the Receiver, and BPS Diamond Sports Corp. (the "Canadian Purchaser") and BPS Diamond Sports Inc. (the "U.S. Purchaser" and together with the Canadian Purchaser, the "Purchaser") made as of April 10, 2013 and appended to the Report of the Receiver dated April 15, 2013 (the "Report"), and (B) vesting (i) in the Canadian Purchaser the Canadian Debtor's right, title and interest in and to the assets of the Canadian Debtor described in the Sale Agreement (the "Canadian Purchased Assets"), and (ii) in the U.S. Purchaser the U.S. Debtor's right, title and interest in and to the assets of the U.S. Debtor described in the Sale Agreement (the "U.S. Purchased Assets", and

together with the Canadian Assets, 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 Receiver, *the Purchaser* ~~[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 <sup>S</sup> [NAME] sworn [DATE] filed: *filed Lita Saler, April 16, 2013*

1. THIS COURT ORDERS AND DECLARES that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders and is hereby approved and the execution and delivery of the Sale Agreement by the Receiver and the performance by the Receiver of its obligations under the Sale Agreement are hereby authorized and approved with such minor amendments as the Receiver may deem necessary, and the Receiver 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 contemplated by the Sale Agreement.

2. THIS COURT ORDERS AND DECLARES that the execution and delivery of the Occupation Agreement between the Receiver and the Canadian Purchaser and the U.S. Purchaser in the form appended to the Report (the "Occupation Agreement") by the Receiver and the performance by the Receiver of its obligations under the Occupation Agreement, if applicable, are hereby authorized and approved with such minor amendments as the Receiver may deem necessary, and the Receiver 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 transactions contemplated by the Occupation Agreement.

3. THIS COURT ORDERS AND DECLARES that having found that the Transaction was negotiated, proposed and entered into by the Receiver and the Purchaser without collusion, and in good faith, and resulted from arm's-length bargaining positions, and that upon consummation the Transaction shall not be an avoidable transfer, upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), (i) all of the Canadian Debtor's right, title and interest in and to the Canadian Purchased Assets (as defined and described in the Sale Agreement) and (ii) all of the U.S. Debtor's right, title and interest in and to the Canadian Purchaser, and

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REGISTRAR \_\_\_\_\_ GREFFIER \_\_\_\_\_

Purchased Assets (as defined and described in the Sale Agreement) shall vest absolutely in the U.S. Purchaser, in each case, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Morawetz dated February 25, 2013; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), *Registre des droits personnels et réels mobiliers* or any other personal property registry system; (all of which are collectively referred to as the "Encumbrances") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Canadian Purchased Assets and the U.S. Purchased Assets are hereby expunged and discharged as against the Canadian Purchased Assets and U.S. Purchased Assets, respectively.

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 Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Any party that held a Claim that has been discharged and deemed satisfied pursuant to this order is forever enjoined from asserting any claims, rights or causes of action (whether in law or in equity), obligations, demands, guarantees, contractual commitments, restrictions, interests and matters of any kind or nature whatsoever, whether arising prior to or subsequent to the commencement of these cases, and whether imposed by agreement, understanding law, equity or otherwise against the Purchaser or Receiver in respect of the Agreement, the US Purchased Assets and the Canadian Purchased Assets.

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

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6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7. 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 Canadian Purchased Assets in the Canadian Purchaser and of the U.S. Purchased Assets in the U.S. Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Canadian Debtor or U.S. Debtor and shall not be void or voidable by creditors of the applicable Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance 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.

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

9. THIS COURT ORDERS that confidential appendices A, B, C and D to the Report be and are hereby sealed pending completion of the Transaction, as evidenced by the filing of the Receiver's Certificate, or further Order of this Court.

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10. 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 Receiver 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order, including by extending comity and recognition of this Order, to give full force and effect to this Order (including its findings of fact and conclusions of law).

*April 24, 2013*

*Peter A. Cunningham J.*

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ON / BOOK NO:  
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*APR 24 2013*

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*[Signature]*  
GREFFIER

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BETWEEN:

REGISTRAR

GREFFIER

PNC BANK CANADA BRANCH

Applicant

- and -

COMBAT SPORTS INC. and COMBAT SPORTS, INC.

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Morawetz of the Ontario Superior Court of Justice (the "Court") dated February 25, 2013, BDO Canada Ltd. was appointed as the interim receiver and receiver (the "Receiver") of the undertaking, property and assets of Combat Sports Inc. (the "Canadian Debtor") and Combat Sports, Inc. (the "U.S. Debtor" and together with the Canadian Debtor, the "Debtor").

B. Pursuant to an Order of the Court dated April \_\_, 2013, the Court (A) approved the sale transaction (the "Transaction") contemplated by the agreement of purchase and sale made as of April 10, 2013 (the "Sale Agreement") among the Receiver, and BPS Diamond Sports Corp. (the "Canadian Purchaser") and BPS Diamond Sports Inc. (the "U.S. Purchaser" and together with the Canadian Purchaser, the "Purchaser") and (B) provided for the vesting (i) in the Canadian Purchaser of the Canadian Debtor’s right, title and interest in and to the assets of the Canadian Debtor described in the Sale Agreement (the "Canadian Purchased Assets") and (ii) in the U.S. Purchaser the U.S. Debtor’s right, title and interest in and to the assets of the U.S. Debtor

described in the Sale Agreement (the "U.S. Purchased Assets", and together with the Canadian Assets, the "Purchased Assets"), which vesting in each case is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Canadian Purchaser of the Canadian Purchase Price (as defined and calculated in accordance with the Sale Agreement) for the Canadian Purchased Assets as payable on the closing date pursuant to the Sale Agreement; (ii) the payment by the U.S. Purchaser of the U.S. Purchase Price (as defined and calculated in accordance with the Sale Agreement) for the U.S. Purchased Assets as payable on the closing date pursuant to the Sale Agreement; (iii) that the conditions to closing the Transaction as set out in section 5.3 of the Sale Agreement have been satisfied or waived (where permitted) by the Receiver and the Purchaser; and (iv) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Canadian Purchaser has paid and the Receiver has received the Canadian Purchase Price (as defined and calculated in accordance with the Sale Agreement) for the Canadian Purchased Assets as payable on the closing date pursuant to the Sale Agreement;
2. The U.S. Purchaser has paid and the Receiver has received the U.S. Purchase Price (as defined and calculated in accordance with the Sale Agreement) for the U.S. Purchased Assets as payable on the closing date pursuant to the Sale Agreement;
3. The conditions to closing the Transaction as set out in section 5.3 of the Sale Agreement have been satisfied or waived (where permitted) by the Receiver and the Purchaser; and
4. The Transaction has been completed to the satisfaction of the Receiver.
5. This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

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**BDO CANADA LIMITED in its capacity as  
Receiver of the undertaking, property and  
assets of COMBAT SPORTS INC. and  
COMBAT SPORTS, INC., and not in its  
personal capacity**

Per: \_\_\_\_\_

Name:

Title:

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\_\_\_\_\_  
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**PNC BANK CANADA BRANCH**  
Applicant

-and-

**COMBAT SPORTS INC. et al**  
Respondents

Court File No. CV-13-10008-00CL

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT  
TORONTO

**APPROVAL AND VESTING ORDER**

**DICKINSON WRIGHT LLP**

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Lawyers for BDO Canada Limited in its  
capacity as receiver of Combat Sports Inc.  
and Combat Sports, Inc.