This is the 1st affidavit
of Tready Smith in this case
and it was made on November 1, 2023.

No. S-235084
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,*
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT,*
S.B.C. 2002, c. 57, AS AMENDED AND THE BUSINESS CORPORATIONS ACT, R.S.O. 1990, C. B.16, AS AMENDED

AND

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BRON MEDIA CORP. AND THE ENTITIES LISTED AT SCHEDULE "A" TO THE AFFIDAIVT OF A. GILBERT SWORN JULY 18, 2023

PETITIONERS

AFFIDAVIT OF TREADY SMITH

I, **TREADY SMITH**, of the City of Tampa, in the State of Florida, **AFFIRM**:

1. I am the manager of BCA Alternative Income Fund GP, the general partner of BCA Alternative Income Fund LP ("**BAIF**"), and the president of Rocking T AGP, Inc., the general partner of Rocking T Ranch, LLLP ("**RTR**", and together with BAIF, "**Bayshore**"). I have knowledge of the matters to which I depose in this affidavit. Where that knowledge is based on information or belief, I have stated the source of my information and believe it to be true.

2. I swear this affidavit in support of an application by Premium Properties, which is supported by Bayshore, for an order that the Petitioners' sale approval application be adjourned in order for the Monitor to further investigate the Petitioners' affairs, and for no other or improper purpose.

The Term Sheets and the Outstanding Loans Made to the Bron Entities

3. In 2018, BAIF or RTR entered into five loan agreements with certain of the petitioners in this CCAA proceeding ("**Bron**"), including some secured loans. As described below, all of these loans are outstanding. They have been disclosed to the Monitor.

First Loan: Needle In A Timestack

4. On July 5, 2018, BAIF, Bron Studios USA, and Creative Wealth Media Finance Corp. ("**CWMF**") executed a financing term sheet for a loan in a film called "Needle In A Timestack" (the "**Needle Term Sheet**"). A copy of the Needle Term Sheet is attached as **Exhibit "A"**.

5. Pursuant to the Needle Term Sheet, among other things:

(a) BAIF agreed to provide a $2.5 million loan;

(b) the loan earned interest at a rate of 11% per annum, for a period of 12 months from the date of the execution of the term sheet;

(c) after 12 months, any outstanding balance would earn interest at a rate of 1.5% per month until repaid in full;

(d) Canadian federal and British Columbia tax credits totaling more than $2.6 million would serve as collateral for the loan; and

(e) following the payment in full of principal and interest, BAIF would be entitled to 6% of any further proceeds received by Bron Studios USA Inc. pursuant to a larger loan that had previously been entered into between CWMF and Bron Studios, Inc., dated May 8, 2018.

6. Pursuant to the Needle Term Sheet, BAIF advanced $2.5 million in financing for the film on or about July 10, 2018.[1] To date, BAIF has not received payment of any principal or interest or any other amounts owing under the Needle Term Sheet.

7. As of July 25, 2023, BAIF was owed at least $4,594,726.03 under the Needle Term Sheet for principal and interest, as well as any contingent compensation to which it may be entitled under the agreement.

Second and Third Loans: The Lionsgate Slate

8. On July 9, 2018, BAIF, Bron Creative USA, Corp., Bron Studios USA Inc., and CWMF executed a term sheet setting out the terms of BAIF's participation in the financing of a slate of four films (the "**Lionsgate Slate**"),[2] which was then amended on August 1, 2018.

9. On August 1, 2018, RTR also executed a term sheet setting out the terms of its financing of the Lionsgate Slate, which was executed by RTR, Bron Creative USA, Corp., Bron Studios USA Inc., and CWMF (collectively with the amended term sheet executed by BAIF, the "**Lionsgate Term Sheets**"). Copies of the Lionsgate Term Sheets are attached as **Exhibits "B"** and **"C"**.

[1] All amounts referenced in this affidavit are in USD unless stated otherwise.
[2] The four films are "The Spy Who Dumped Me," "A Simple Favor," "Anna," and "Chaos Walking".

10. Pursuant to the Lionsgate Term Sheets, among other things:

(a) BAIF agreed to provide a $3.5 million loan;

(b) RTR agreed to provide a $500,000 loan;

(c) the loans earned interest at a rate of 12% per annum, compounded annually, for the first 18 months following execution of the respective term sheet;

(d) after 18 months, any outstanding balance would earn interest at a rate of 1.5% per month until repaid in full;

(e) the loans would be repaid in full no later than July 1, 2022; and

(f) following the payment in full of principal and interest, BAIF would be entitled to 2.173% of any further proceeds received by Bron Creative USA, and RTR would similarly be entitled to 0.310% of any further proceeds.

11. The Lionsgate loans were unsecured.

12. Pursuant to the Lionsgate Term Sheets, BAIF advanced $3.5 million in financing for the Lionsgate Slate on or about July 13, 2018, and RTR advanced $500,000 on or about August 1, 2018. To date, BAIF and RTR have not received payment of any principal or interest or any other amounts owing under the Nightingale Term Sheets.

13. As of July 25, 2023, BAIF and RTR were respectively owed at least $5,501,942.13 and $779,821.90 under the Lionsgate Term Sheets, as well as any contingent compensation to which they may each be entitled under those agreements.

Fourth and Fifth Loans: The Nightingale

14. On October 17, 2018, BAIF and RTR each entered into term sheets with Bron Creative Corp. for the financing of a film called the "Nightingale" (collectively, the "**Nightingale Term Sheets**"). Copies of these term sheets are attached as **Exhibits "D"** and **"E"**. A copy of the loan and security agreement referenced in each of the term sheets is attached as **Exhibit "F"**.

15. Pursuant to the Nightingale Term Sheets, among other things:

(a) Bron Creative Corp. agreed to advance the proceeds of all the "financiers" under the term sheets to Nightingale Film Holdings Pty Ltd., the entity producing the film;

(b) BAIF agreed to provide a loan of $2,250,000;

(c) RTR agreed to provide a loan of $1,000,000;

(d) the amounts advanced by BAIF and RTR would earn interest at an annual rate of 12%;

(e) the amounts advanced by BAIF and RTR would have a maturity date of 12 months from initial disbursement of the loan, being on or about October 17, 2019;

(f) after the maturity date, any outstanding repayment amount would be subject to default interest of 17%; and

(g) BAIF and RTR would to be repaid out of gross receipts.

16. Pursuant to the Nightingale Term Sheets, BAIF advanced $2,250,000 in financing for the film on or about October 17, 2018, and RTR advanced $1,000,000 on or about October 17, 2018. To date, BAIF and RTR have not received any repayment under the agreements.

17. As of July 25, 2023, BAIF and RTR were respectively owed at least $4,564,291.65 and $2,028,574.07 under the under the Nightingale Term Sheets, in addition to any contingent compensation.

Summary of the Loans and Amounts Owing

18. As of July 25, 2023, under the Needle Time Sheet, the Lionsgate Term Sheets, and the Nightingale Term Sheets (the "**Term Sheets**"), Bayshore was owed principal and interest of at least $17,469,355.78, plus applicable contingent compensation.

Sworn **or** ***Affirmed*** **before me:** *(select one):* ☐ in person OR ☒ by video conference

by Tready Smith of the City of Tampa in the State of Florida, before me at the City of Toronto in the Province of Ontario, on November 1, 2023.

Commissioner for Taking Affidavits *(or as may be)*

W. McChe

Signature of Commissioner (or as may be)

Tready A Smith

TREADY SMITH

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

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Proceeding commenced at Vancouver

AFFIDAVIT OF TREADY SMITH

BOOK LAW
365 Bay Street, 2nd Floor
Toronto ON M5H 2V1

Hilary Book (LSO# 52479I)
hilary@booklaw.ca
Tel: 416-613-9161

William McLennan (LSO# 75144I)
william@booklaw.ca
Tel: 647-797-0623

Elizabeth Ayo (LSO# 85923U)
elizabeth@booklaw.ca
Tel: 647-578-9731

Lawyers for Bayshore Capital Advisors, LLC, BCA Alternative Income Fund, LP and Rocking T Ranch, LLLP